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Acceptance at Grass Roots

Nicaraguan Rebels Gain Support in Rural North

By Christopher Dickey

Washington Post Service
NUEVA SEGOVIA, PROV. INCE, Nicaragua — The farmer was angry about what he had seen a few weeks before. Seven men, country people like himself but members of the Sandinista militia, had had their threats on a mountain trail and "a lot of peasants" were saying the counter-revolutionaries had done it.
 Now a group of contras, who had just bought a cow from him, sat on the porch and he harangued them. They denied they were responsible for the killing.
 "Look, we're with you," said the 46-year-old peasant, motioning to a relative standing nearby. "I'm with you. He's with you. But when we see something like that, we say better to stay away, because that sows terror."
 Even his distaste, made with no apparent fear or reservations, was a reflection of the acceptance the troops of the anti-Sandinista Nicaraguan Democratic Force find among the farmers of the mountains in northern Nicaragua.
 Many — the leadership claims a majority — of the counter-revolutionary soldiers "come from backgrounds like theirs. Many are from the same mountains."
 "A screw-up like this," the peasant warned his friends in uniform, "and everything can fail."
 In the six days another reporter and I spent traveling through this northern province with the U.S.-backed soldiers fighting to overthrow the leftist Sandinista govern-

ment, we saw a pattern of support for the contras by people with many grievances against the revolutionary government in Managua. "The outrages," one peasant farmer called them.
 Whether this kind of support can be found in the rest of the country remains a matter of conjecture among counter-revolutionaries.

Two senators warn the Reagan administration against CIA involvement in Nicaragua. Page 5.

any leaders. These men talk of having 10,000 or more soldiers in place, and perhaps tens of thousands of civilians ready to rise up behind them. More conservative estimates by military officials who have worked with the counter-revolutionaries in neighboring Honduras put rebel strength at about 4,000, in addition to about half that many armed Miskito Indians on the Atlantic coast.

No one can say with any real assurance where popular support will lie if the war spreads, but the counter-revolutionaries appear to be doing everything they can to cultivate it. They believe, moreover, that they have distinct advantages over the Sandinists in rural areas like this.

Adolfo Calero, an exiled counter-revolutionary leader, suggests that the Sandinists, for all the mystique they cultivate of having lived and fought in the mountains, essentially waged their war in Nicaragua's cities. He said they may not appreciate the impor-

tance of small landowners in such regions as this.

Several peasants said hard times began in earnest only last year after the guerrillas' first serious offensives and the Sandinists' declaration of a state of emergency.

Until then, said one mother of four children, the Sandinists were "likable." But now, she said, "when they come and ask for food and we don't give it they accuse us of saving it for the contras."

Her husband's father and two uncles are prisoners under suspicion of aiding the rebels, she said. She added that she sees no choice now but to support the counter-revolutionaries, who offer her some protection, or to flee to Honduras.

Many of the men bearing arms against the Sandinists said they had been jailed several times as suspected counter-revolutionary collaborators before they finally made their decision to fight.

Typical of many of the rebel troops was "Curo," a grizzled 46-year-old evangelical Christian who joined the rebel forces several months ago. The Sandinists jailed him for 70 days last year "before they determined I wasn't involved in anything," he said.

The Sandinists often accuse the counter-revolutionaries of atrocities, and the contras charge the government's people with everything from torture to massacres of civilians to wantonly shooting cattle.

We saw nothing to support di-



Counterrevolutionary troops in Nicaragua: Many come from rural backgrounds.

rectly the claims of either side in this regard, but commanders of some of the troops with whom we traveled said they did "eliminate" prisoners if they appeared to be committed Sandinist soldiers.

Although the Sandinists say the counter-revolutionaries often kidnap peasants and force them to work with them, we saw no indication of coercion among the people with whom we were able to talk.

The troops showed high morale and appeared to be fighting voluntarily, often marching from dawn until nightfall through rough terrain, eating little more than a few chunks of beef or sugar cane.

Again and again when peasants were asked why they were offering the contras food and shelter, why they told them where Sandinist troops were moving and ambushes were laid or why they had joined the rebel army, they said nothing about fear. Instead they talked of what they view as Sandinist threats to their economic, social and cultural survival.

They complained about having to sell crops or livestock to state stores at prices set by the government.

The peasants said they were infuriated by Sandinist troops who commandeered food and supplies from their meager larders and left them nothing but a slip of paper

in return. The contras pay cash. The patrol with which I traveled carried the equivalent of several thousand dollars in Nicaraguan currency.

Nueva Segovia is traditionally one of the most conservative of Nicaragua's provinces. Its people are imbued with the independence of pioneers. The centralist regimentation that the Sandinists have tried to impose since their 1979 triumph does not sit well with them.

By contrast, the counter-revolutionary leadership promises Nicaraguans, in Mr. Calero's words, "less government than they ever had before, with less government intervention in their lives."

Moscow Claims 'War Danger' In U.S. Policies

By Dusko Doder

Washington Post Service

MOSCOW — The Soviet commander of Warsaw Pact forces, Marshal Viktor G. Kulikov, fiercely attacked President Ronald Reagan's military policies Wednesday and warned that alleged U.S. plans to gain strategic superiority over the Soviet Union "can play the role of a detonator in the current explosive situation."

In a sharp escalation of rhetoric, he spoke ominously of "gathering clouds of war danger on the horizon."

Marshal Kulikov's comments, in an article in the Defense Ministry newspaper Krasnaya Zvezda, coincided with similar statements made in East Berlin by Dmitri F. Ustinov, the Soviet defense minister. Marshal

Ustinov said Wednesday that if the Soviet Union were attacked from Western Europe by U.S. medium-range missiles, Moscow would retaliate both against Western Europe and the United States.

"This return strike may turn out to be the final one for most of the West European countries in which American nuclear weapons are to be deployed. This should always be remembered by the governments of the Western countries," he said Wednesday.

"The United States will not go unpunished" in such a case, he added.

In an address to East German soldiers, Marshal Ustinov said that the planned deployment of 572 U.S. cruise and Pershing-2 nuclear missiles would make the NATO countries "hostages" of Washington's nuclear strategy, the official news agency Tass said.

"If in Washington they think that we will retaliate only against targets in Western Europe if Pershing and cruise missiles are used, they badly delude themselves," Marshal Ustinov said. "Retaliation against the United States will be inevitable."

Marshal Ustinov's statement did not break any new ground, but it was more explicit than previous public remarks by leading Soviet officials.

There was speculation in diplomatic circles here that the current visit to East Germany by Marshal Ustinov could be linked to some additional Warsaw Pact moves, possibly including the introduction of new Soviet arms in East Germany.

Marshal Kulikov's article, in both tone and content, marked a distinct change in Moscow's public position and underscored the impression that Soviet preparations are well under way to counter U.S. military plans.

He asserted that "large-scale military preparations" of NATO countries "compel" Moscow and its allies "to pay unremitting attention" to their defense establishments in order to be able "to rebuff any aggression."

The publication of the article also coincided with the opening Wednesday in Prague of a meeting of Warsaw Pact foreign ministers. As such, it presumably was designed at least in part to draw attention to efforts by Moscow to prod its allies to boost their military spending.

But Marshal Kulikov also said that the Warsaw Pact leaders at their January summit in Prague had already "taken decisions to further strengthen the defense capability" of all member countries.

He said that the Warsaw Pact was now "undertaking additional measures" after being forced to do so by what he called NATO's escalation of military preparations.

Marshal Kulikov accused the Reagan administration of "inventing new options as to the best way to unleash a nuclear war in the hope of winning it."

He said the "arms race in the United States and some other NATO countries is acquiring an ever-wider scope and is being transformed into a qualitatively new and far more dangerous phase."

The United States, Marshal Kulikov said, has undertaken "particularly accelerating steps" to develop its offensive strategic forces, and "first of all its first-strike nuclear means" in an effort to achieve superiority.

"The calculation of the imperialist militaristic circles that they will be able to reverse the course of history and to roll back or even destroy socialism after gaining military superiority over it is nothing more than an illusion, but an illusion which is extremely dangerous," he said. "It can play a role of detonator in the current explosive situation."

Senator Baker said after the meeting that he plans to schedule Senate action on the nomination within two weeks. Mr. Baker has said he believes Mr. Adelman will be confirmed by a narrow margin.

Senator Tsongas, however, said there may have enough votes to defeat the nomination even without the filibuster he has been threatening to lead.

The Senate is controlled by Republicans, 54-46. Mr. Tsongas said not more than six or seven Democrats are expected to support Mr. Adelman.

It would take 60 votes to cut off a filibuster, but only 51 votes to reject the nomination.

Senators Say Arms Accord Is Unlikely

Foreign Affairs Chief Says Russia Is Stalling

Compiled by Our Staff From Dispatches

WASHINGTON — The Reagan administration is unlikely to achieve any nuclear arms agreement with the Soviet Union, members of the Senate Foreign Relations Committee said Wednesday after meeting with U.S. arms control negotiators.

"It does not appear that in the foreseeable future there is a chance" for an agreement to limit the number of Soviet and U.S. intermediate-range missiles in Europe, said Charles H. Percy, the Illinois Republican who is chairman of the committee.

"I have come to the conclusion ... that the Soviet Union does not seriously intend to come forward now with a counterproposal" in President Ronald Reagan's latest proposal on intermediate-range missiles, Senator Percy said.

Mr. Percy and other senators spoke to reporters after a closed meeting with Edward L. Rowny, chief U.S. negotiator in the Strategic Arms Reduction Talks, and Paul H. Nitze, the chief negotiator in the talks on intermediate-range missiles in Europe.

Senator Paul E. Tsongas, Democrat of Massachusetts, said, "We're not making progress" in talks on either intermediate-range missiles or strategic nuclear weapons.

The Senate minority whip, Alan Cranston, a California Democrat, said, "I believe we have bungled and blown the opportunity to have significant arms control."

But Senator Percy said, "I don't think we have blown it. I think the Soviets have made a decision, taking into account the demonstrations in Europe, that they have far more to gain by attempting to prevent deployment" of U.S. Pershing-2 and ground-launched cruise missiles, in order to maintain their "overwhelming preponderance of nuclear strength."

"The emphasis of the Soviets seems to be so much to prevent deployment, and that seems to be their total strategy right now — to prevent at any cost deployment, even if it costs them an arms control agreement they ordinarily would like to have," the senator said.

In the closed committee session, Mr. Rowny was also questioned by the senators about a personnel memo that he gave to Kenneth L. Adelman on Jan. 16. The memo has become an issue in the battle over Mr. Adelman's nomination to succeed Eugene V. Rostow as chief of the Arms Control and Disarmament Agency.

Mr. Rowny repeated to the senators his earlier explanation that the memo, which is highly critical of some members of his negotiating team, was prepared by an assistant and did not represent his views. He told the senators he had not read it before giving it to Mr. Adelman.

Senator Cranston said, "I find it hard to believe that a man of Rowny's experience would hand a superior memorandum that he now says does not represent his own views" without reading it.

Senator Percy agreed that the handling of the memo was "unusual" and that he was "surprised" by it.

Howard H. Baker Jr. of Tennessee, the leader of the Senate's Republican majority, was asked about the effect of Mr. Rowny's appearance on the Adelman nomination. He replied, "I don't think it changed much, one way or another."

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Shuttle Satellite Reportedly Safe; Plan Devised to Correct Its Orbit

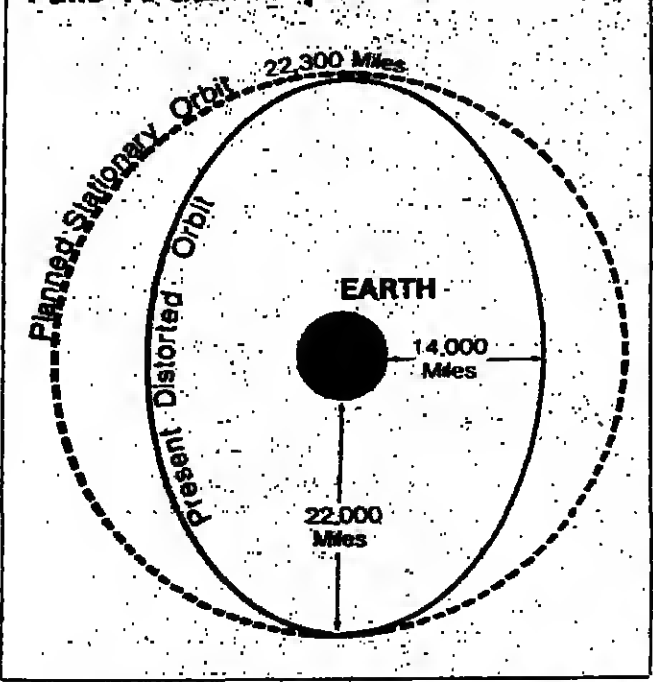
By Thomas O'Toole

Washington Post Service

HOUSTON — Flight directors came up Wednesday with a workable plan to rescue the Tracking and Data Relay Satellite.

and Data Relay Satellite, which suffered a near-catastrophic failure in space Tuesday after being safely deployed in orbit the day before by astronauts flying the space shuttle Challenger.

Communication Satellite Fails To Gain Proper Orbit



The Tracking and Data Relay Satellite's orbit falls more than 8,000 miles short of the planned orbit at some points.

"Our plan is to correct the total orbit of our satellite," said Robert O. Allen, director of the tracking satellite program for the National Aeronautics and Space Administration. "We're going to adjust our total orbit to get it to geosync."

The 5,000-pound (2,270-kilogram) communications satellite, which will serve as the space command post for all U.S. satellites in Earth orbit for the next 20 years, is in an erratic orbit that comes as close to the Earth as 13,540 miles (21,800 kilometers), which means that its low point is 9,000 miles too low for it to serve the purpose for which it is designed.

The geosynchronous orbit to which Mr. Allen referred is a circular orbit that takes it 22,335 miles above the Earth at all times so the satellite matches the Earth's rotational speed and stays in the same place at all times relative to the surface.

The plan is to use 900 pounds of the 1,300-pounds of hydrazine fuel on board the satellite that was put there for station keeping. Instead of being used to trim the satellite's orbit, the fuel will be used to take it out of its current orbit and move it into the desired orbit.

On Thursday, 24 tiny thruster jets will be fired for nearly three hours in the first of a sequence of firings over the next six or seven days to raise the low point of the orbit to even out its flight path at 21,950 miles above the Earth, which is the present orbital high point. Another firing will be done about a week from now to raise the entire orbit to 22,335 miles high.

"I don't know how to tell you how we all feel about the way this mission has been recovered," said Dean Carpenter, assistant project manager for TRW Inc., which built the \$100-million satellite. "We were sick the other day when all we would think was that we'd lost the whole mission."

The astronauts aboard Challenger, meanwhile, were awakened a few minutes early Wednesday as their craft circled the Earth for the 34th time. After performing routine chores, they fired small control jets in a third "phantom" rendezvous rehearsal.

Mr. Carpenter said that the most critical part of the three hours in which the satellite was tumbling out of control as fast as 30 revolutions a minute came when flight directors thought — the batteries aboard the solid rocket motor attached to the satellite had died. If the batteries had indeed been dead, there would have been no way to separate the 2,400-pound engine from the satellite, and no assurance that the satellite's computer would command it to stop tumbling.

For still unexplained reasons, a command sent up Tuesday morning by the space agency's tracking antenna in California's Mojave Desert was able to separate the engine and the satellite. At least that is what flight directors think may have happened, because that is when they got a signal back that the satellite was flying along and had begun to deploy its solar panels to charge up its own batteries.

Nobody knows what caused the satellite to tumble and what caused it to reach such an erratic orbit as the one it was in Wednesday. The suspect is the solid-fueled engine, which could have fired unevenly.



The French transport minister, Charles Fiterman, refused to talk to reporters after Wednesday's cabinet meeting. Mr. Fiterman belongs to the Communist Party, and newsmen wanted his comments on the expulsion of Soviet diplomats from Paris on Tuesday.

Russia Angrily Denies Aides Spied in France

By Mark Wood

Reuters

MOSCOW — In a report Wednesday indicating deep Kremlin anger at the expulsion of French diplomats and officials, Moscow rejected allegations that the officials had been involved in espionage.

In the first direct comment on the affair from Moscow, the press agency Tass said the move against the French diplomats was "absolutely arbitrary" and that Paris was responsible for any damage to French-Soviet relations.

French diplomats and journalists based in Moscow said there had been no sign of retaliation by the Soviet authorities and no hint of what action they might take.

The brief press agency report was couched in bitter terms that clearly reflected intense Soviet anger with the French government over the expulsions.

Paris said the officials had been involved in gathering military, scientific and industrial secrets.

But Tass said they had been ordered out of France "without any grounds and under obviously fabricated pretexts which are totally at odds with reality."

The agency said that both the Foreign Ministry in Moscow and the Soviet Embassy in Paris had lodged strong protests over what it called an "absolutely arbitrary action."

"It was stressed that responsibility for the consequences to Soviet-French relations rests entirely with those who planned it and carried it out," the press agency added in an apparent warning that ties were bound to suffer.

Western diplomats in Moscow said that the affair was likely to terminate the special relationship be-

tween Paris and Moscow over most of the past 20 years, during which criticism of Paris has been rare by Soviet news organizations.

While the press and television have carried major campaigns against U.S. British and West German military programs, for example, the French development of nuclear and conventional forces was almost entirely ignored.

This attitude was most evident when Moscow failed to react to an announcement under the previous French president, Valéry Giscard d'Estaing, that France was developing neutron weapons. Shortly before that announcement the Soviet authorities had issued daily criticism of Washington's neutron-bomb program.

The first evidence of a sharp change in the Kremlin's attitude following the expulsions appeared Tuesday night when Tass issued a longly worded article on French nuclear tests in the South Pacific, an issue barely mentioned in the past.

Diplomats said the new turn of events put an end to what appeared to be lingering hopes in the Kremlin that France could once again become a trusted and close friend in the West.

Although President Francois Mitterrand's access to power in 1981 had already cooled ties, Soviet treatment of a recent visit by the French foreign minister, Claude Cheysson, suggested that Moscow still thought there were good chances of a revival.

After the collapse of the left-liberal government in West Germany, Moscow was looking at France as its only remaining chance of cultivating sympathy for Soviet concerns among the Western powers, the diplomats said.

KGB Envoy Reportedly In Roundup

By John Vinocur

New York Times Service

PARIS — The 47 Soviet officials expelled Tuesday from France after being accused of espionage included the chief of Soviet intelligence operations in the country and all of his principal aides, a source said Wednesday.

The source, who could not be identified under the ground rules of a conversation with reporters, described Nikolai Chetverikov, the third-ranking diplomat at the embassy, as the KGB resident for France.

The source sought to portray the expulsions as a wholly French initiative, independent of information that some newspaper reports have said was provided by Soviet defectors to the United States and Britain.

Referring to the French deportation order, the source said that "by and large it had nothing to do" with any possible material coming from a defector to the United States, and asserted that this was probably true as well in relation to the British defector.

A U.S. official, responding to a reporter's question, said the action leading to the expulsions "was not a joint venture" between France and the United States.

The specific motivation for the expulsions, taken at the order of President Francois Mitterrand, remained uncertain. There was speculation about the possible arrest of a French official and about the president's interest in turning the attention of French newspapers and television away from the government's austerity measures.

But the source, who denied (Continued on Page 2, Col. 6)

Thais Ready to Renew Attacks on Vietnamese

Reuters

BANGKOK — Thai border commanders said Wednesday they were prepared to send a second wave of warplanes, possibly carrying napalm, against Vietnamese troops who have crossed into Thailand from Cambodia.

Senior army officers said that despite inflicting heavy casualties Monday, Thai planes had still not flushed Vietnamese troops from border positions.

Major General Phumphanuwat, the most senior officer at the frontier, confirmed reports that the Thai Air Force had dropped napalm, or jelled gasoline, on Vietnamese forces entrenched on a hill straddling the ill-defined border.

General Phumphanuwat, commander of the Thai Army's Second Division, said the attack by two F-5E fighter-bombers killed many of the estimated 150 Vietnamese dug in at Phnom Pen Hill.

At the border, military sources said Thai ground forces had failed to advance on the slopes of Phnom Pen Hill. Earlier reports said Thai troops had dislodged the Vietnamese and driven them back into Cambodia.

Thai officials said about 200 Cambodian civilians and five Thai soldiers had been killed in the offensive, which began last Thursday. Vietnamese casualties are not known.

International relief workers described the situation on the border Wednesday as calm, with only a brief burst of artillery fire shortly before midnight.

About 180,000 Vietnamese troops are still based in Cambodia. The offensive represents Vietnam's fiercest assault against the guerrillas who oppose the Vietnam-backed Heng Samrin government in Phnom Penh. The offensive has forced about 50,000 Cambodians to flee into Thailand.

The Vietnamese Foreign Ministry has denied that its forces had penetrated Thai territory and attacked civilians in refugee camps. But it said "Vietnamese volunteer troops" had helped Cambodian regulars fighting Khmer Rouge regiments.

The Beijing-backed Khmer Rouge, deposed by Vietnamese-led troops in January 1979, are the largest of the three guerrilla groups in the anti-Vietnamese coalition headed by Cambodia's former head of state, Prince Norodom Sihanouk.

The United States announced Wednesday it was providing \$1.5 million for emergency medical aid.

Paul D. Wolfowitz, U.S. assistant secretary of state for East Asian and Pacific affairs, who visited the border Wednesday, said the money would be given to the International Committee of the Red Cross.

(Continued on Page 2, Col. 6)

INSIDE

■ U.S. diplomats are battling government proposals to restructure the Foreign Service's retirement program. Page 6.

■ The British rush into cable television may be slowed by government rules. Page 15.

A SPECIAL REPORT

■ North Central Texas, dominated by the Dallas-Fort Worth corridor, has continued to grow despite the recession. Page 75.

Russia Struggles to Attract Labor to Mineral-Rich Siberia

By John F. Burns
New York Times Service

YAKUTSK, U.S.S.R. — For a newcomer stepping off an Aeroflot jet into the Yakutian night, the harshness of Siberia is immediate.

The 3,500-mile (5,600-kilometer) flight from Moscow touches down after midnight and taxis across a darkened field toward pillars of vapor pouring from service vehicles' exhausts. The only illumination comes from the vehicles' parking lights and a pale lamp atop the deserted terminal.

For 150 passengers uncramming themselves from the ill-fitting seats of a Tu-154, this is the easy way to travel to eastern Siberia. The trip takes seven days by train. But even rail passengers have it easy compared with Russians who traveled here in previous generations. For many of them, it was a journey to a penal camp and death.

In the minds of many Russians, the Yakutsk Autonomous Republic is inseparably linked with Stalin and the Kolyva, the northeastern region of the territory that was the site of some of the most terrible labor camps of the 1930s and 1940s. Some accounts say that millions died in that frozen landscape.

But the government's priority these days is to attract pioneers to the area known as Yakutia from the settled part of the country west of the Urals.

Only after 1917 were serious efforts begun to exploit the territory's great mineral wealth, and only now are those efforts being intensively pursued.

For decades, Yakutia has been the country's primary source of gold and diamonds. But now, visitors to the geological museum here are shown a map studded with colored lights, each showing an exploitable deposit of coal, copper, tin or one of a dozen other resources.

Billions of rubles are being spent to overcome forbidding problems of climate and distance in recovering these resources. Salaries three or four times higher than in the country's more temperate zones are paid to attract workers, and the construction of towns, railroads and mines is forging ahead despite costs at least 400 percent higher than in European Russia.

The population has doubled in 20 years, to nearly a million, and is expected to grow by another 350,000 by the end of the century. The measure of the Kremlin's ambitions can be taken from the 2,000-mile Baikal-Amur Mainline, the railroad known by its initials, BAM.

Now nearing completion, the railway is a \$14-billion project that arcs north and east from Lake Baikal, across the southern fringe of Yakutia and on to the city of Komsomolsk-on-Amur, where it joins an existing link to the Pacific. Planners speak of the rail system's doing for Yakutia what the Union Pacific Railroad did for the American West.

Some economists, however, worry that the railroad and associated ventures could burden the economy for decades. Against the current world surplus of minerals, they question whether revenues will ever justify the costs of developing a region so remote and inhospitable.

Others, like Abel G. Aganbegyan, the economist who heads the Siberian branch of the Academy of Sciences in Novosibirsk, have inveighed against the propensity to rush into projects with inadequate planning and against the foul-ups resulting from ineffective coordination among the hundreds of government agencies involved.

Mr. Aganbegyan's specific complaints focus on the use of labor-intensive methods that squander manpower, the costly failures that result from reliance on equipment and machinery designed for warmer climates, and what he calls "the notorious economizing on housing and social, cultural and consumer service facilities" that leads to an annual labor force turnover as high as 30 percent.

Visitors to Yakutsk and to outlying mining centers like Neryungta, the new town 450 miles south of here that is the center of a large new coal project, do not have to look far to see what he means.

The drive into town from the airport is in a ramshackle bus that looks 20 years old and is actually three. The mosaic at the entrance to the Lena Hotel, the city's best, is dated 1972, but crumbling concrete, drafty window frames and rusty plumbing suggest something out of the 1940s. The proudest claim of Vladislav P. Shamsin, the mayor, is that by the end of the decade Yakutsk will be an all-concrete city.

But the shift has been accomplished without serious regard for esthetics or for conserving the best of the old town. Lovely 19th-century houses with gingerbread window frames are being pulled down and replaced with multi-story office and apartment blocks that lead the city a dreary step common to urban areas throughout the Soviet Union.

At official briefings the story is one of high morale and driving endeavor. But an evening spent among young Russians crowding the bar at the Lena Hotel suggests that the reality is somewhat different.

Most of all, the young people complained about a lack of leisure opportunities. The short, hot summer is spoiled by mosquitoes that descend in storms. Winter offers skating or cross-country skiing, but with temperatures that fall below minus 45 degrees (minus 50 Fahrenheit), frostbite is a constant worry.

It is a difficult life, and it is no surprise that many young people head for home before their initial three-year contracts expire.

Pentecostal Woman Allowed to Quit Russia

The Associated Press

MOSCOW — Lidiya Vashchenko, a member of a Soviet Pentecostal family that took refuge in the U.S. Embassy nearly five years ago, left the Soviet Union Wednesday for Vienna after winning her long battle for an exit visa, the family said.

Miss Vashchenko, 32, flew to Moscow on Tuesday night from the family home in Chernogorsk in Siberia, where she had submitted her request for an exit visa last month, embassy sources said. She left Moscow on an Austrian airliner.

"We welcome this development. It is an encouraging sign," a U.S. Embassy spokesman said.

He said there was no indication that the Soviet government was preparing to permit other members of the Christian fundamentalist group to leave the country.

Miss Vashchenko and four other members of her family, along with two members of another family, ran past Soviet police guards into the embassy compound in June 1978 to seek help in getting Soviet exit visas. They complained of official harassment because of their religious beliefs.

The families, who became known in the West as the Siberian Seven, were granted refuge in the embassy basement while U.S. officials carried their case to Soviet authorities.

Miss Vashchenko left the embassy refuge in January 1982 for treatment at a Moscow hospital after a prolonged hunger strike to publicize the family's plight.

She returned to the embassy after leaving the hospital for a brief

reunion and then returned to Chernogorsk to join other family members there, while the six others remained in the embassy.

Soviet authorities have insisted that the all of them must return to Chernogorsk before their appeals for exit visas will be considered.

Lidiya's two sisters, Lubov, 30, and Liya, 25, are still in the embassy, along with their parents, Pyotr, 55, and Augusta, 54.

Eleven other Vashchenko sisters and brothers and the wife of one of them still live in Chernogorsk.

Timofei Chmychalov, 21, and his mother, Maria Chmychalova, 60, also live in the embassy. Nine members of their family in Chernogorsk also want to emigrate.

Lubov Vashchenko, the family spokeswoman, said Wednesday that her sister had been instructed to report to the Chernogorsk emigration office March 23 and apply for an exit visa.

Lidiya was told to apply for permission to emigrate to either Israel or West Germany, Lubov said, and she named Israel on her application form, Lubov said.

However, her sister's final destination remained unclear.

Arrival in Vienna

Lidiya Vashchenko arrived in Vienna Wednesday from the Soviet Union and was taken to an undisclosed destination by members of a human rights group who had exerted pressure on Moscow to allow her to emigrate, The Associated Press reported.

Miss Vashchenko was met at Vienna's Schwechat Airport by Danny Smith, a member of the London-based Campaign to Free the Siberian Seven.



Lidiya Vashchenko arriving Wednesday afternoon in Vienna from Moscow.

Greece to Skip NATO Exercise

The Associated Press

ATHENS — Greece will take part in a NATO exercise in the western Mediterranean this month, but not in another in the Aegean in May, the Defense Ministry said Wednesday.

Late last year, Greece canceled a NATO exercise that had been planned in the north of the country. In February, Greece pulled its navy out of a NATO exercise, expressing dissatisfaction with "the philosophy of the exercise."

Greece claims Turkey, a fellow NATO member, threatens its security. The countries also have rival claims for military airspace and mineral rights in the Aegean.

French Austerity Plan KGB Envoy Reported In Roundup

Reuters

PARIS — Prime Minister Pierre Mauroy denied Wednesday that the government's economic austerity measures were an attack on the liberty of the French.

Presenting the program to the National Assembly on a motion of confidence, he defended it on the grounds that the least well-off would not be affected by all the measures, which are aimed at eliminating a trade deficit of more than \$12 billion.

Mr. Mauroy said 14 million out of 22 million taxpaying families would be exempt from the forced loan of 10 percent of the tax they paid on 1981 income, and 7 million would be exempt from a levy of 1 percent on taxable income.

Referring to the measure that has caused the most resistance, he said he could not accept the claim that the strict limits on the amount of money vacationers could take abroad constituted an attack on freedom. Adults may take the equivalent of 2,000 francs (about \$275) in foreign currency and another 1,000 francs in French currency. Children are allowed 1,000 francs in foreign currency. The use of credit cards on vacations abroad is forbidden.

"First, because to allow an average French family to go away with over 10,000 francs does not seem scandalous to me," Mr. Mauroy explained. He added that this also "ignores the social reality of a country where half the citizens take no holiday at all."

The prime minister said the assembly would shortly be asked to empower the cabinet to put some measures into effect by decree and

thus make them law as rapidly as possible.

Earlier, the government spokesman, Max Gallo, said the decree would apply to the forced loan from taxpayers, the 1-percent levy on gasoline and tobacco, all of which would come into effect within a month.

Political commentators said Communist deputies would be angered by the move since they had planned amendments to the austerity plan to ease its effect on the lowest paid.

"We have taken care that these measures fairly spread the effort required from the French," Mr. Mauroy said. "For our aim is to cut purchasing power as little as possible and in any case to preserve it, or even improve it, for the least well-off."

He said the plan would cut public spending by 25 billion to 30 billion francs and consumer spending by 35 billion to 40 billion francs.

Meanwhile, as a measure to try to hold down unemployment, the government announced plans that would allow conscripts to serve longer in the army.

Officials said the government would soon introduce a bill in Parliament allowing conscripts to serve for 4 to 24 months longer than the present one-year stint and lowering the starting age from 19 to 18.

A Defense Ministry spokesman said the bill also aimed to make national service more flexible so that it did not interfere with professional training and chances of work.

Mr. Gallo said that if there were enough volunteers for longer service, this could be a first step toward reducing the compulsory period for other conscripts — a long-standing aim of the left.

Poland Charges 9 in Underground In Warsaw Trial

United Press International

WARSAW — Nine members of the Solidarity underground went on trial Wednesday on charges of organizing factory workers to revolt against martial law, a military court spokesman said.

Few details were available about the defendants, who were among 21 persons arrested since December when Polish authorities relaxed some aspects of martial law. The spokesman refused to comment on the charges or name the defendants.

The army daily *Zolnierz Wolnosci* said an underground group, called the Solidarity Labor-Factory Workers' Committee, was responsible for taking "the leading role in the destruction of the socialist state."

The newspaper said the defendants were acting under the direction of Zbigniew Bujak, the former Warsaw Solidarity leader who escaped capture after the imposition of martial law in December 1981. Mr. Bujak, who is still at large, is considered the authorities' No. 1 target in the continuing crackdown on Solidarity.

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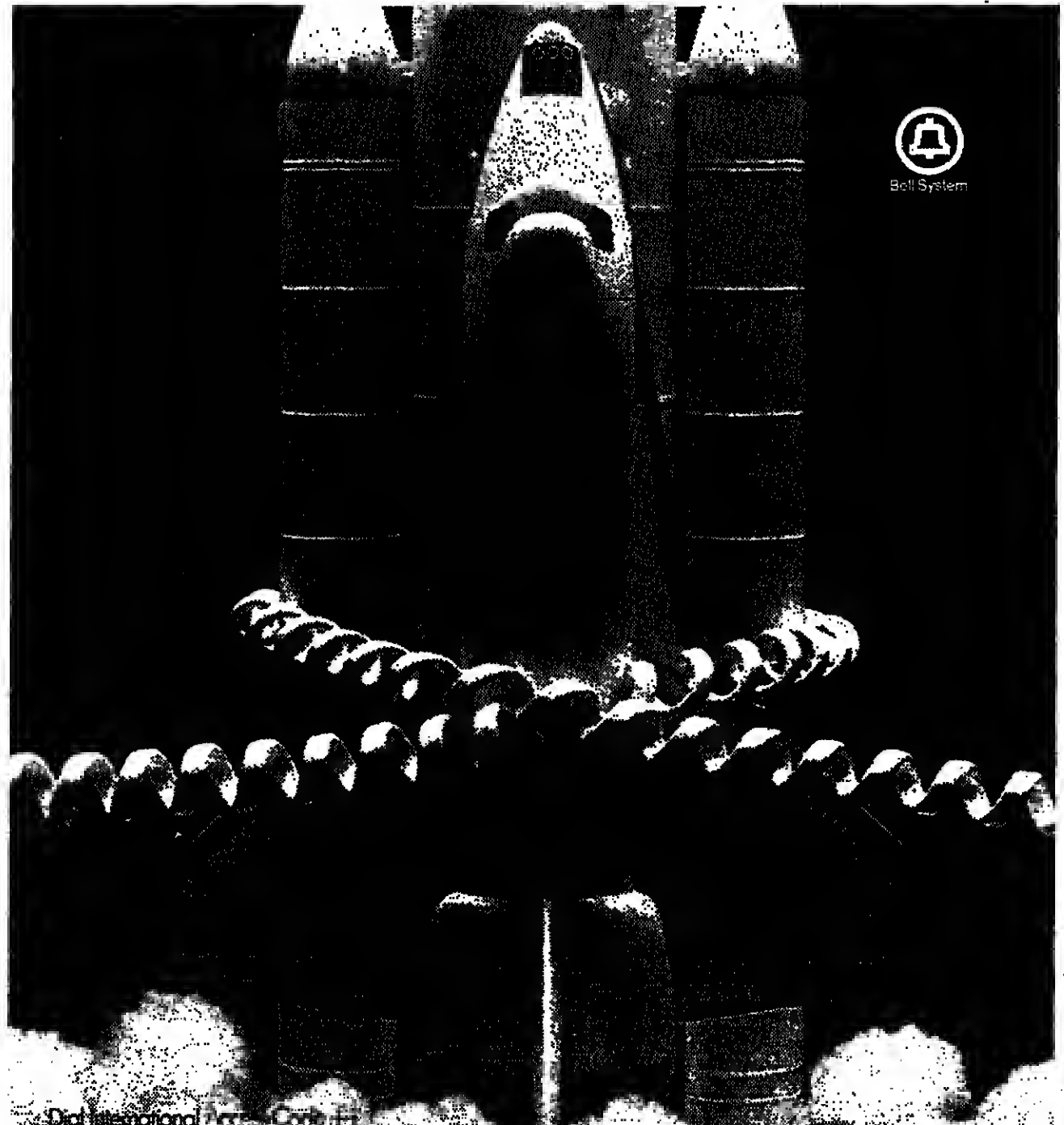
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WORLD BRIEFS

UN Refers Chad and Libya to OAU

UNITED NATIONS, New York (NYT) — The Security Council compromised Wednesday amid East-West differences over the legitimacy of Chad's regime, calling on Chad and Libya to settle their territorial dispute through the Organization of African Unity.

The nominal issue before the council was Chad's complaint that Libyan forces illegally occupy the Aouzou Strip, a desert area in northwestern Chad. But according to diplomats in all camps, this masked the real concern: President Hissene Habre's attempt to strengthen his claim to be Chad's legitimate ruler. He is opposed by the forces of Goukouni Oueddei, who is backed by Libya.

Mr. Habre, who is supported by the United States and France, sent his foreign minister, Idriss Mikini, to the council to accuse Libya of aggression. But the Soviet Union, Libya's ally, strongly resisted any resolution by the council.

Indian Army Called Out in Assam

NEW DELHI (UPI) — Indian Army troops were called out Wednesday to put down new violence in the northeastern state of Assam that left at least nine dead and 5,000 homeless, officials said.

A bomb exploded in a home in Assam's northeastern Lakhimpur district, killing a man and his wife and seriously injuring their child, officials said. It was not immediately known who was responsible.

In the Gopinath district of Assam, which lies about 1,440 kilometers (900 miles) east of New Delhi near the border with Bangladesh, seven persons were killed Monday and Tuesday in attacks by a mob on a dozen villages and in fighting between rioters and the police, officials said Wednesday. The toll of dead and missing in Assam during nine weeks of unrest has reached 3,600.

Tass Calls Japan an 'Arms Depot'

MOSCOW (UPI) — The United States is using Japanese territory to base nuclear weapons as part of the Pentagon's plan to wage limited nuclear war, Tass alleged Wednesday.

The Soviet press agency said nuclear cooperation between the two countries has been going on for at least 12 years and "widened considerably after the coming to power of the present conservative government in Japan."

"The United States has long been using Japan's territory for the emplacement of nuclear weapons, assigning to Japan the role of a most important arms depot in the Pentagon's plans for unleashing a nuclear war," Tass said.

Britain Says Free-Lancer Was Spy

LONDON (AP) — Bertil Wedin, a Swedish-born free-lance journalist, was accused in a London court Wednesday of being a South African intelligence agent and spying on opponents of South African racial policies.

Roy Amlot, a prosecutor, said Mr. Wedin, 38, was paid £1,000 (\$1,504) a month, plus travel expenses, by South Africa to provide information. Mr. Amlot said it was Mr. Wedin's information that made possible the theft of papers at the north London offices of an outlawed South African black group, the Pan-Africanist Congress.

Mr. Wedin pleaded innocent at the Old Bailey Central Criminal Court to charges of burglary and dishonesty.

32 Guilty in Seychelles Uprising

VICTORIA, Seychelles (Reuters) — Thirty-two soldiers have pleaded guilty to taking part in an army uprising in August in which nine people were killed, the Seychelles radio said.

The radio said Tuesday night that an undisclosed number of troops were being tried privately for their part in the 36-hour mutiny, which was crushed by loyal troops.

The court-martial is being held before three army officers and a civilian magistrate. After hearing the pleas, the session adjourned until Monday. The maximum penalty is life imprisonment.

U.K. Seamen Drop Strike Threat

LONDON (Reuters) — Britain's 28,000 seamen dropped their threat of an all-out strike Wednesday to protest the takeover by the navy of a ship normally run by civilians who had been sent home "on holiday."

After 12 hours of talks, the National Union of Seamen said it had gained better pay and manning for taking the ship, the *Keren*, to the Falkland Islands later this week. The union threatened to paralyze British shipping around the world in retaliation for what it called a hijacking.

The union said the ship would be returned to port and handed back to its men by the same naval officers who took it to sea last Saturday. The navy had moved to prevent the pay dispute from delaying the *Keren's* trip to collect British soldiers from the Falklands.

West Said to Sabotage Equipment

BERN (AP) — U.S. high technology equipment shipped to the Soviet Union through Switzerland and France in violation of U.S. regulations was sabotaged by agents before it reached Moscow, a Swiss newspaper reported Wednesday.

In a report from Moscow, the Bern newspaper *Der Bund* said Western intelligence services "cooperating with French middlemen" had followed the equipment on its way through Europe and sabotaged it en route.

The paper said the equipment, needed for manufacturing microprocessors, had been sold by a U.S. company to a Swiss importer, Favag, which then sent it to France through a Geneva firm.

Egypt, France Defer Mideast Plan

PARIS (AP) — Boutros B. Ghali, Egypt's minister of state for foreign affairs, said Wednesday that France and Egypt have agreed not to renew a resolution on the Mideast as long as President Ronald Reagan's peace plan remains viable.

The resolution, put before the United Nations Security Council last summer, calls for mutual and simultaneous recognition by the Israelis and Palestinians and recognition of the Palestinians' legitimate rights. The Reagan plan, announced in September, calls for the creation of a Palestinian entity politically attached to Jordan.

The Franco-Egyptian resolution is still on the agenda of the Security Council. Mr. Ghali said after a 35-minute meeting with President Francois Mitterrand. "But France and Egypt are in agreement to not bring up this problem while it is still possible that the Reagan plan will be executed."

PLO Renews Call for Arab Talks

KUWAIT (AP) — The Palestine Liberation Organization renewed Wednesday its call for an emergency Arab summit conference, demanding a pan-Arab stance against U.S. policy on the Middle East, a PLO official announced.

Yasser Abed-Rabbu, a member of the PLO executive committee, said the guerrilla movement would never accept modifications to the Fez peace plan, which was agreed upon at the Arab conference in Morocco in September. "We will never accept any changes in the Fez plan, especially if these are designed to jeopardize the basic rights of the Palestinian people," Mr. Abed-Rabbu said in a statement distributed by the Kuwait News Agency.

He insisted that the proposed talks "should develop the Fez plan, rather than move backward with it." The plan calls for an independent Palestinian state in the West Bank of Jordan and the Gaza Strip, with Jerusalem as its capital.

For the Record

VIENNA (AP) — A 36th Lippizaner horse died Tuesday of herpes virus, and the president of a U.S. company donating interferon to fight the epidemic said the drug should be given to the horses before they reached the advanced stages of the disease.

BONN (AP) — Chancellor Helmut Kohl will visit Washington April 14-15 to discuss nuclear disarmament, a government spokesman said Wednesday. He will be accompanied by Foreign Minister Hans-Dietrich Genscher.

ANKARA (AP) — Turkey's military rulers will hold elections to restore parliamentary democracy in October, according to the chairman of the committee on the electoral process.

DUBLIN (Reuters) — Javier Pérez de Cuellar, the United Nations secretary-general, arrived in Ireland Wednesday on a three-day visit during which he will discuss the Irish conflict and UN peacekeeping in Lebanon.

Aid Program For the Poor Announced

U.S. Sets \$100 Million For Food and Shelter

By Lee May
Los Angeles Times Service
WASHINGTON — States and private agencies will receive \$100 million in federal funds before the end of the month to help provide emergency food and shelter for the growing number of impoverished Americans, a federal agency has announced.

Louis O. Giuffrida, director of the Federal Emergency Management Agency, which will administer the program, said Tuesday that half of the money would go to communities through grants to states under a formula established for community services grants.

The other half will be distributed nationally by a board of volunteer agencies, including the United Way, the National Council of Churches, the Red Cross, the Salvation Army, the Council of Jewish Federations and the National Conference of Catholic Charities.

The board will consult with local officials and consider poverty and unemployment statistics to determine how to distribute the money. As a press conference, Mr. Giuffrida said that the funds represented a "short-term effort" that will bolster strained relief programs until the economy picks up steam in the next few months.

Congress appropriated the \$100 million last month as part of a \$4.9-billion emergency jobs and relief program.

The emergency agency must award the grants to states and the seven-member board by April 23. Local officials must spend the money by Sept. 30.

Officials around the country have reported that the numbers of homeless and poor people have been growing, and that they now include a greater proportion of middle-class families with children.

T. Bradford Sales, a spokesman for the United Way of Los Angeles County, said that a recent survey of 36 major providers of emergency food and shelter found that 72 percent were forced to turn people away because of inadequate resources.

At the press conference, officials from the federal emergency agency and the private agencies acknowledged that \$100 million would not eliminate the problem.

The officials said that they had no reliable estimates of the number of people nationwide who needed emergency shelter and food but that the Department of Labor was developing such statistics.



RESCUE AT DISNEYLAND — Firemen aid people trapped in aerial gondolas at Disneyland in Anaheim, California, after a thunderstorm knocked out power. About 100 persons were stranded for an hour, and several had minor injuries.

Anti-Bias Rules Are to Be Relaxed For Companies With U.S. Contracts

By Robert Pear
New York Times Service

WASHINGTON — The Labor Department intends to issue new rules that relax requirements for government contractors to recruit and promote blacks, women and Hispanic people.

The department has decided to go ahead with many of the proposals that generated intense criticism from civil rights advocates when they were issued 19 months ago.

But business organizations said the new affirmative action rules would be an improvement over the existing rules because they would reduce the burden on employers and eliminate some of the uncertainty about requirements.

Labor Department officials said 20,000 to 30,000 companies, including nearly all the large corporations in the nation, were subject to affirmative action requirements because they did business with the government. Other companies look to the government rules for guidance when they establish voluntary affirmative action programs.

Department officials said they planned to issue the final rules this month or next month, with only minor technical changes, after getting clearance from the Office of Management and Budget. The rules would then have the force of law.

After issuing two sets of proposals in August 1981 and April 1982, the administration received more than 1,500 comments from the

public. The rules were then rewritten in light of those comments.

Under the new rules, the government would seek relief, such as back pay, only for individual "identifiable victims" of job discrimination. The current rules permit relief for "affected classes," and there is a presumption that everyone in the class suffered discrimination. The burden is then on the employer to prove that a particular employee was not harmed.

The new rules would also reduce the number of contractors required to prepare written affirmative action plans. As a result, many small businesses would be relieved of this obligation.

Companies with a government contract of \$100,000 or more and with 100 or more employees would have to prepare affirmative action plans, showing how they would increase the representation of women and minority groups in their work force. These thresholds are higher than those set by the current regulations, which cover any company with 50 employees and a contract of \$50,000. But they do cover more companies than the thresholds originally proposed by the administration (250 employees and a \$1-million contract).

The government would no longer have to review a firm's compliance with the equal employment opportunity laws before awarding a contract. The Labor Department said such reviews were "unduly burdensome and unproductive" and the

government needed discretion to decide who should be audited.

The new rules would make it more difficult for civil rights organizations and women's groups to file discrimination complaints on behalf of workers.

The new rules also establish a presumption that an employer has "reasonably utilized minorities and women" when their employment rate in specific job groups is at least 80 percent of their availability in the area.

On Wednesday, after a White

Study Faults Reagan's Military Budget

By John M. Berry
Washington Post Service

WASHINGTON — The government could spend 10 percent less than the \$153 billion proposed by the Reagan administration in its five-year military program and achieve the same level of national security, according to the Brookings Institution's annual study of the federal budget. Portions of the study were released Tuesday.

William W. Kaufman, a Massachusetts Institute of Technology professor who wrote the defense chapter, said the Reagan program is "not realistic" and questioned whether it is "adequately related to the dangers that may lie ahead for the United States and its allies."

But Mr. Kaufman, who was an adviser to defense secretaries under every president from John F. Kennedy to Jimmy Carter, also raised questions about his own conclusions. He said the administration probably had underestimated the cost of its planned military program by about \$28 billion over the next five years and had underestimated the cost of operating and maintaining the complex new weapons systems by a far larger amount.

To maintain the new weapons in a state of "high readiness" through 1988 could require as much as an additional \$230 billion, Mr. Kaufman said.

The study, called "Setting National Priorities: The 1984 Budget," urged Congress to enact some combination of military and non-military spending cuts and tax increases to reduce future budget deficits.

Joseph A. Pechman, an economist who edited the book, warned that if the deficits are not lowered once the current economic recovery is well under way, a renewed clash between stimulative fiscal and re-

strictive monetary policy could mean more years of high interest rates and economic stagnation.

"This is the major economic problem we face," Mr. Pechman said. "Unless Congress does something about the budget this year, we are not apt to have a satisfactory economic performance for some years to come."

The book said: "If the Federal Reserve Board were to increase the money supply enough to hold down interest rates, the deficits would generate inflation. If, as seems more likely, the Federal Reserve refused to accommodate that much fiscal stimulus, interest rates would rise sharply and economic recovery would be retarded."

In the longer run, the failure to reduce deficits will mean less investment by business in new plants and equipment and less by individuals in housing because the government will be using a large portion of total national savings to finance the deficits, the book said.

In the defense chapter, Mr. Kaufman proposed major modifications of the Reagan program, which he termed the "hot rod" version of the Carter military plan. The suggested changes, which would save \$223 billion in new ob-

ligational authority and \$155 billion in outlays between 1984 and 1988, include:

- Scrap the MX missile but leave research and development funds available for a new missile.
- Cancel several aircraft programs, including the B-1 bomber, the F-14 and F-15 fighters, the C-5B transport, and the AV-8B air support aircraft.
- Cancel construction of 32 planned navy ships, including three aircraft carriers, nine cruisers, 11

nuclear attack submarines and nine guided missile destroyers, and renovation of two battleships.

• Reduce several army programs, including the M-1 tank, the M-2 armored fighting vehicle, the AH-64 attack helicopter, the Patriot air defense program, the binary chemical munitions program and a truck purchase program.

• Reduce programs to stockpile conventional munitions.

• Freeze military manpower at 1983 levels.

South Korean Official Resigns Over Fatality

By Reuters

SEOUL — South Korea's top police officer resigned Wednesday to take responsibility for an incident in which a detained businessman died of brain injuries last month.

A policeman has been charged with fatally beating the businessman, but the director-general of the national police headquarters, Ahn Eung Mo, said he considered himself responsible for not preventing the incident.

Reagan Firm on Arms Spending

By David Hoffman
and Helen Dewar
Washington Post Service

WASHINGTON — President Ronald Reagan stood his ground Wednesday against any major cut in his request for 10-percent growth after inflation in military spending. But he told influential senators that he would be willing to cut the figure by 1 percent, far short of what Congress wants.

Leading Senate Republicans warned the president on Tuesday that they could not vote for the full military buildup and that the minor cuts he had suggested would not be enough to win approval. The committee was expected to begin marking up the military portion of the budget resolution.

On Wednesday, after a White

House meeting with Mr. Reagan, the Republican chairman of the Senate Budget Committee, Pete V. Domenici of New Mexico, and the panel's ranking Democrat, Senator Lawton Chiles of Florida, told reporters that Mr. Reagan was unyielding on his proposal for a 10-percent increase.

The president, Mr. Domenici said, "was very firm in expressing himself on the issue ... based on need."

Mr. Chiles said: "I told the president there was no way we could pass the 10 percent on the Democratic side." He added: "We have to start working now on the budget. I don't see how it's going to come out much higher than 5 percent."

Mr. Domenici said he felt the

military proposal would have to come out higher than a 5-percent rise in spending after inflation. He estimated it would be about 7 percent.

Wednesday's meeting, which was also attended by Defense Secretary Caspar W. Weinberger, followed a spirited session Tuesday between the president and Republican senators during which the president demanded that the Budget Committee not retreat further from his \$239-billion Pentagon spending request.

Mr. Reagan told the senators Tuesday that "it might be possible" to find savings in his military budget because of lower fuel costs, reduced inflation and the expectation that a commission will shortly recommend a less costly system for deploying the MX missile.

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Disintoxication

The big peace demonstrations which occurred this Easter weekend in many places in Western Europe were directed not only against the threat of nuclear war but also against the policies of the United States. Possibly this is a backhanded tribute to the United States: It is believed to be open to influence and change. Demonstration by West Europeans against the deployment of Soviet nuclear weapons is understood to be pointless. That, too, is an unspoken judgment by the peace people, even if not always an intended one.

It is comprehensible that an effort to lift the nuclear shadow which hangs over us should be directed against Europe's ally rather than its opponent. The United States — by being an ally and, beyond that, in its colonial and cultural origins, a European society — falls within what Europeans understand to be their community of responsibility. What the United States does disturbs Englishmen, Dutchmen or West Germans exactly because they feel an undeniable kinship with Americans. The Soviet Union, for all but a certain number of European Communists who have made a deliberate act of faith, remains alien, impossibly remote from Western Europe.

Saying that, and without entering into the debate on the specific merits of the Reagan administration's nuclear policies or of U.S. policy in general, it seems to us that there is something urgent to say to the people who take part in these demonstrations.

The United States is not in Western Europe against the will of Europeans. It would

leave Europe if it were asked to do so. It conceivably will leave even without being asked, if isolationist trends in America continue to gain strength. In this current affair of intermediate-range missiles, Washington has been acting with the accord of the NATO governments in order to remedy a problem that Europeans — West Germans, to be exact — asked to be remedied.

If the peace movement were to reach popular strength which moved European governments to decline those American missiles, the U.S. government would have no choice but to honor the decision. This is not, then, a controversy which directly engages the United States. It is an argument among West Europeans, over what they believe about their own risk and their own security, and about the relationship Europeans wish to have with the United States — and with the Soviet Union.

Americans have the right, however, to ask for intellectual honesty in the debate — for rather more impartiality in the weighing of Europe's alternatives, and in the consideration of why Europe is insecure, than ordinarily is evident in these peace demonstrations. They also have a right to ask for seriousness in confronting the consequences of a demand that the United States withdraw from Europe. One might recall what Albert Camus wrote about the need for "disintoxication" in debates such as this one — the need "to disintoxicate minds and calm fanaticisms, even when this is against the current thinking."

INTERNATIONAL HERALD TRIBUNE.

More Indochinese War

The war in Indochina, so often said by Americans to be over, goes mercilessly on. In its latest episode Vietnamese occupying forces in Cambodia, embarked on a seasonal offensive, have chased Cambodian guerrillas to their sanctuaries along the Cambodian-Thai border and driven tens of thousands of Cambodian civilians from their miserable border camps into Thailand. Casualties among these civilians have been considerable. Thai troops, defending their sovereign territory, have fired back at the pressing Vietnamese. It is a nasty if all too familiar scene.

The friends of Thailand, including its non-communist neighbors in Southeast Asia and the United States, have criticized Vietnam for its attacks on Cambodian civilians. Vietnam is the right target, its ambitions for control throughout Indochina are the principal source of the region's continuing upheaval. The local government that Vietnam sustains in Phnom Penh could not stay in power otherwise. Militarily, the Cambodian opposition to that regime appears persistent but a long way from

success, or so its current difficulties along the remote Thai border suggest. Politically, it suffers from the inclusion in its ranks of the totally discredited Pol Pot communist forces, along with former head of state Prince Norodom Sihanouk and the anti-communist Son Sann. Vietnamese occupation of Cambodia remains, nonetheless, unacceptable.

Is any relief possible for poor Cambodia? If there is it lies chiefly in new arrangements that might be made by the Soviet Union, patron of Hanoi, and the People's Republic of China, patron of the Pol Pot group. The two powers are currently exploring a partial relaxation of the longstanding tensions between them.

The United States gave up both its capacity and its taste to influence the outcome of the Indochina power struggle when it withdrew its forces and then its aid in the 1970s. Now the American government cannot do much more than offer occasional, largely gratuitous remarks from the sidelines. The fate of the region is in others' hands.

— THE WASHINGTON POST.

Other Opinion

Breaking With the Past

There is a need for a radical break with the established forms of international power politics. Like many other American and Russian leaders, Ronald Reagan has largely built his career on appeals to fear. Today he may truly desire to obtain some sort of arms limitation agreement, if only to be able to campaign in 1984 as a peace candidate. The price of such an agreement may be a complete transformation of all his old methods and rhetoric, a complete break with the past.

— The Boston Globe.

The Reagan Plan That Was

Yasser Arafat rarely departs from a capital without leaving behind an ambiguity, and he left another [Tuesday] in the hands of King Hussein. But neither he nor the king can be blamed for the current speculation about whether the Reagan plan for the Middle East is dead. It has been hard to tell for several weeks, and at this stage the question of who finally withdraws the life support system has become uninteresting.

George Shultz, the U.S. secretary of state, has been using all his efforts to enable King Hussein to speak on behalf of Palestinians in negotiations about the Reagan plan. The purpose of Mr. Arafat's journey to Amman was indeed to see whether and in what conditions such a role could be squared with the resolution of the Arab summit at Fez demanding an independent Palestinian state, and the similar decision of the Palestine National Council in Algiers. But the State Department has tried to give the impression that the table is set and all other participants are in their seats, waiting for the Arabs to turn up. That is not so.

Israel's participation would depend on an understanding that the West Bank remains under Israeli control. But any Arab participation would have to depend on Israel's willingness to withdraw, since otherwise the conference would be pointless. As part of its inducement to the Arabs to sign agreement with the plan, the United States is reported to have promised to try to curb the expansion of Israeli settlements. But the entire success of the plan has always depended on such a curb, and the time to secure it would have been after Mr. Reagan made his proposals six months ago.

In an ideal world there would be Israeli settlements on the West Bank, although they would not bear much resemblance to the fortification which dominates Hebron or to the tatty dormitory prefabs which disfigure the former Arab land holdings on the heights of Samaria. But that ideal world presupposed a degree of coexistence which both Arabs and Israelis have been unwilling to concede from the start — whether the start was at the Israeli massacre at Deir Yassin in 1948, or the Arab massacre at Hebron in 1929, or farther back still.

Thus, although the New Jerusalem is possible to conceive, as the capital of both Israeli and Palestinian states linked (economically, for example) with Jordan, it is not possible to approach.

The burden of suspicion lies heavily on Mr. Begin and his government, who believe they are better off colonizing the West Bank and achieving peace feelers than they would be confined to Israel and subject to rules of conduct on the West Bank which were internationally agreed and not laid down by themselves. That policy is the result, Mr. Begin believes, of his long vision. To almost everyone else it seems disastrously shortsighted.

— The Guardian (London).

FROM OUR APRIL 7 PAGES, 75 AND 50 YEARS AGO

1908: U.S. Policy on Manchuria

SHANGHAI — Surprise is expressed here at the non-recognition by the United States of Russian jurisdiction in Northern Manchuria at a moment when something like a rapprochement was expected. There have been no complaints from Americans or Europeans regarding Russia's handling of Northern Manchuria, whereas there have been many in respect to the action of the Japanese in that part of Manchuria over which they exercise domination. It is expected that the policy of hands off in Manchuria which the United States is inaugurating should apply with greater force to Fengtien. The conviction is general here that the policy of the United States can only draw Russia and Japan closer together.

1933: Hitler on 'Racial Hygiene'

BERLIN — America is the last country in the world to be able to reproach the Nazi government in Germany for its anti-Semitic policy. Chancellor Hitler has stated in defending what he called his party's "racial hygienic work," in an address before leaders of the German medical organizations. "The Americans were the first to draw practical and political conclusions from the diversity and divergencies of races," Hitler, discussing the future of Jews in the Third Reich, said. "Our own countrymen have a natural moral claim to preference — the racial hygienic purification work will perhaps only slow results after centuries, but at any rate we are laying the foundation for future political development."

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A Soviet Crackdown That Can't Help

By Anthony Lewis

BOSTON — The position of dissidents in the Soviet Union, which was already grim, has grown worse in recent months. Political prisoners about to finish their sentences have been re-sentenced to further terms. There have been new brutalities in labor camps. And those few in the society who are still trying to work for human rights, peace and the right to emigrate have come under increasing pressure.

One result of the tightening Soviet screw has been to reduce the flow of information about what is happening. Family visits to prisoners have been canceled and letters stopped, and families are afraid to communicate with outsiders. But the facts are beginning to be known in the West. It is time for us to face them — and to consider the consequences for relations with the Soviet Union.

The added sentences for political prisoners are ominous. In the past a form of legality has usually been observed: Victims were sentenced to fixed terms and almost always released at the end — their "crimes" being Soviet inventions as slandering the state. In that respect Soviet prisoners were better off than those held indefinitely without charge in, say, Argentina or South Africa.

Now there appears to be a new policy. A French expert says that about half the Soviet Union's political prisoners are being served with new charges — such as misbehavior in the camps, or slander — shortly before the scheduled end of their terms.

A typical victim of this procedure was Vyacheslav Bakhtin, a member of a now shattered group working against the practice of putting political dissidents in psychiatric hospitals. His three-year term in a labor camp

was due to end in February, but he was sentenced to an additional three years.

Another member of the group against political abuse of psychiatry, Dr. Anatoli Koryagin, has suffered brutal treatment. A psychiatrist himself, Dr. Koryagin was sentenced to 12 years in 1981 after he documented the horrors done to dissidents in psychiatric wards. An appeal from him was smuggled out of the labor camp at Perm and quoted at length last month in an article by Peter Rodaway in *The New York Review of Books*.

Dr. Koryagin said the political prisoners at Perm were kept in conditions that "directly threaten and shorten their lives." He said they were physically tortured "through starvation, cold and deprivation of sleep."

A fellow prisoner at Perm was Yuri Orlov, the noted physicist who led a group established to monitor observance of the Helsinki accords. Dr. Koryagin reported that Mr. Orlov, who is 58, has developed a heart murmur but that a camp doctor refused to excuse him from heavy manual labor.

Since writing that appeal Dr. Koryagin has been transferred to a place with an even worse reputation, Chistopol Prison. That is where Anatoli Shternshant, the leader of Jewish emigration efforts, was taken last year, and where he has reportedly been near death from mistreatment and a hunger strike.

There have also been rumors lately that Yuri Orlov has been moved to Chistopol Prison, but there is no confirmation. What is known is that he was beaten up by another prisoner at Perm last fall, that on Nov. 1 he

was committed to the camp's internal prison and that his wife has not seen him since 1979.

A tragic example of what official pressures can do outside prison is the plight of Andrei Sakharov, who is kept in internal exile in Gorki. An authentic report says that the repeated thefts of his manuscripts by KGB thugs have so depressed him that he has stopped trying to work and neglects his physical appearance. He has phlebitis but will not go to doctors in Gorki because he says they are all under KGB control.

The pattern is clear. Soviet authorities are trying to reduce all dissidents to total silence, to break their contacts with the West, to make sure that nothing will be tolerated. Why? It may have something to do with the nervousness accompanying a power shift in the Soviet Union, although the deterioration began before Yuri Andropov took over. More likely it is simply a reflection of deteriorating relations with the United States.

Soviet leaders may reason that there is no point in easing up on internal conditions until there is hope of better relations with the United States — hope especially of serious arms control negotiations. But that could be a serious miscalculation, and those of us who are concerned about human rights and arms control should be the first to say so.

As Hans Bethe, the American physicist, puts it, "The most important thing in curbing the arms race is to build confidence between the two countries. What the Russians are doing to Sakharov, Orlov and the others cannot help. It makes our task of trying to steer the Reagan administration back to a more sensible policy much more difficult."

The New York Times.

Job Classifications Evolve, but Class Consciousness Endures

By Robert J. Samuelson

WASHINGTON — "Something of a milestone passed recently without anyone much noticing. The Labor Department dropped the designations "blue-collar" and "white-collar" from its job classifications.

The familiar color coding of workers is gone from official terminology. Conventional wisdom used to hold that blue-collar work was manual, dirty and generally undesirable. White-collar work, which was held to be clean, better paid and more brainy than brawny, was the path toward middle-class respectability.

Today, blue-collar factory jobs remain far less secure than office jobs, as high industrial unemployment attests, but in other respects blue-collar work has improved considerably.

Anyone with a taste for conspiracy will attribute the disappearance of blue-collar joblessness figures to White House de-emphasis of an embarrassing unemployment problem. The truth is duller. The disappearance stemmed from a reform of government statistical practices that began in the mid-1960s. Bureaucracies being what they are, the changes were not completed until 1977 and are being implemented only now. Decisions were mostly technical: Once jobs were redefined, the "blue" and "white" labels no longer seemed apt.

It is not difficult to understand why. By the old definitions the flood tide of white-collar workers has been overwhelming. By 1980 they represented 52.2 percent of the work force, compared with a blue-collar proportion of 31.7 percent. Service workers (13.3 percent) and farm workers (2.8 percent) accounted for the rest.

Go back to 1920 and blue-collar workers were about two-fifths of the total; farm workers outnumbered white-collar workers 27 to 25 percent. Service workers were mainly maids, butlers and other household workers.

The social progression implied by the white-collar, blue-collar division is disintegrating. Government statistics now show that there are high-skilled blue-collar jobs as well as low-skilled white-collar jobs.

In 1981 the median weekly pay for female clerical workers was less than two-thirds the rate for male craftsmen and 90 percent of the rate for male laborers. Meanwhile, factory jobs experienced a general improvement in pay and working conditions.

When they studied "Middletown" (Muncie, Indiana) in the mid-1920s, sociologists Robert and Helen Lynd reported that factory workers put in 9- to 10-hour days, with half shifts on Saturdays. By their early 40s many men were so spent that they were dismissed or shifted to less demanding jobs (sweepers or watchmen).

Unions, technology and new laws have refashioned this portrait. The 1938 Fair Labor Standards Act mandated time and a half for production work exceeding 40 hours and essen-

tially eliminated the six-day work week. Seniority provisions halted most arbitrary dismissals, and automation eased the physical burden.

When another team of sociologists returned to Muncie in the late 1970s they reported: "There is no denying that earning a living is much easier for working-class men today than it was 50 years ago. Many of the dangerous, dirty and routine tasks are now accomplished by machines."

Paid vacation, health insurance, unemployment insurance and retirement plans have improved the quality of life for Middletown families."

Increasing work specialization also has eroded the logic for blue- and white-collar stereotypes. Are computer repair technicians white-collar or blue-collar? The explosion of service workers — nurses, aides, security guards and waiters — creates a big category of workers in neither the traditionally white-collar office nor the blue-collar factory.

But the most interesting counterpoint to these rapid economic changes — rising living standards, new jobs — is the slow shift of class

perceptions. The best way to judge class is self-evaluation. Here is how Americans responded in 1952 (and 1978) when asked to put themselves in a class: lower 2.2 (0.0), working 59.0 (52.3), middle 35.5 (46.3), upper 1.7 (0.1), other 1.5 (0.6).

Thus, a large proportion of Americans consider themselves to be working-class. Notice also the virtual disappearance of the lower and upper classes; for whatever reasons, Americans instinctively place themselves in one mainstream or another.

But the figures put the lie to the

hopeful American vision of an all-most universal middle class. It is emerging, but slowly. Princeton sociologist Richard Sobel, has argued that many white-collar office workers do not feel much differently about their jobs than factory workers.

The upshot is that the sense of class in America remains far stronger than the economic gains of the past 35 years might imply. Even in the late 1970s, before the onset of the recession, more Americans considered themselves in the working than the middle class. The slump may have widened the gap.

National Journal.

The writer is a visiting scholar at Stanford University's Hoover Institution, and is completing a biography of Yuri Andropov. He contributed this comment to the Los Angeles Times.

Millions of Today's Jobs Will Soon Disappear

By Victor C. Walling Jr.

MENLO PARK, California —

Robots and office automation will make the average American wealthier over the next 25 years. At the same time, millions of today's jobs will be eliminated. The challenge to business, government and labor is to develop new categories of employment that will fill the gap and improve society's overall quality of life.

On their way out are factory jobs that robots can be programmed to do well. In the 1980s robots will replace factory workers at a slowly increasing pace. In the 1990s this trickle of change will become a flood as whole factories are replaced with new automation. In many industries, each new factory will replace 80 percent to 90 percent of the workers who worked at the old-style factory.

The white-collar jobs that will be eliminated are not secretarial positions, but skilled, mid-level professional jobs. Automation is beginning to permit businesses to redesign office work and the role of mid-level managers and professionals. New office systems will increasingly permit redistribution of responsibilities downward to less skilled personnel.

Henry Ford's assembly line did to manufacturing. It took the role of skilled professional craftsmen and reassigned the skills — to a small engineering and management staff, to the assembly-line tooling itself, and to a more moderately skilled work force.

In the office of the future, by using more complex work stations, and computers, many of today's mid-level management and professional functions will be reassigned to new combinations of para-professionals, "expert" office automation systems and a few members of previously large teams of mid-level professionals.

It is true that robots and office systems will need several hundred thousand builders, distributors and maintenance personnel. But these new jobs will not come remotely close to replacing the tens of millions of mid-

Treaties and Space

It is prohibited under the 1967 outer space treaty (adhered to by the United States and the Soviet Union, along with 80 other countries) to place in orbit around the Earth weapons of mass destruction.

Weapon systems designed to shoot down incoming enemy missiles obviously do not fall in this category, but there are restrictions on orbiting them or stationing them in space in other ways. The 1972 ABM treaty (amended in 1974), which limited land-based and ballistic missile systems, also banned the development, testing or deployment of those which are air-based or space-based.

However, the latter ban is ambiguous. It seems to concern only anti-missile systems in the form in which they existed at the time the ABM treaty was signed. These are gener-

LETTERS TO THE EDITOR

ally considered unreliable as well as costly and vulnerable to countermeasures and therefore patently inadequate for preventing nuclear weapons from reaching their targets.

Hence the parties agreed not to prohibit the development of ABM systems based on other physical principles (involving, for example, lasers or particle beams). In a proviso attached to the treaty, the parties merely state that in the event of such new means of anti-missile protection being created in the future, their "specific limitations" would be subject to discussion and agreement.

From the point of view of arms control, only a complete and unconditional renunciation of any type of ballistic missile defense would be meaningful. Only such renunciation would signify the acceptance of a state of mutual vulnerability, and thereby of mutual deterrence and of

no-damage-limitation posture, which are the important requirements of strategic stability ostensibly sought by the superpowers.

JOZEF GOLDBLAT
Stockholm International Peace Research Institute,
Solna, Sweden.

One Side Unheard

I would refer you to your newspaper's article regarding Karl Marx of March 14 ("The Marx Druthers," by Graham Heathcote) and suggest that the next time you decide to quote the opposition on the Greater London Council, you extend to the Labor Party the minimal courtesy of similarly seeking our views.

TONY BANKS,
Chairman,
Arts and Recreation Committee,
Greater London Council.

Senators Say CIA May Be Trying To Skirt Ban on Role in Nicaragua

By Patrick E. Tyler
and Don Oberdorfer
Washington Post Service

WASHINGTON — Two members of the Senate Intelligence Committee have warned the Reagan administration that there is concern that the CIA is circumventing a congressional ban on U.S. involvement in efforts to overthrow the Nicaraguan government.

Senator Daniel Patrick Moynihan, Democrat of New York and vice chairman of the committee, said Tuesday in the Senate that in addition to its obligations under the congressional ban, the United States has a "specific obligation" not to violate the 1948 Organization of American States treaty, which prohibits any OAS country from interfering in the affairs of another OAS country.

"If we are a government of laws at home, it is hoped we would be a government of laws in the hemisphere," Senator Moynihan said.

While he was speaking, the OAS permanent council was hearing allegations by Nicaragua against

the United States. The accusations were made during a debate on a proposal by Honduras for a negotiated settlement of disputes in the region through a meeting of five Central American foreign ministers.

Patrick J. Leahy, Democrat of Vermont and a member of the Intelligence Committee, said in the Senate that he had given the committee a classified report that "leaves materially" on whether the executive branch is complying with "both the letter and the spirit" of the Boland Amendment. This amendment prohibits the CIA or Defense Department from providing funds or other support to counterrevolutionary groups for the purpose of overthrowing the Nicaraguan government.

"If one is to believe the detailed accounts seen in the press in recent days, the administration is actively supporting, and perhaps even guiding, a large-scale anti-Sandinista guerrilla movement now involved in open combat inside Nicaragua," he said.

The Senate majority leader,

Howard H. Baker Jr., Republican of Tennessee, said "there is a great concern" in the Senate about U.S. covert activities in the region.

Senator Moynihan said the committee has spent a quarter of its time in the past year on intelligence operations in Central America. He said Senator Barry Goldwater, Republican of Arizona, the chairman, had asked for a new briefing from administration officials next Tuesday.

At the OAS, Robert Martinez Cardenas, delegate from Honduras, called for a meeting of five regional nations, including Nicaragua, to bring about a stable and long-lasting settlement in the area. Mr. Martinez said Nicaragua should participate if it is serious about seeking peace.

Edgar Parrales of Nicaragua replied that the proposal was a U.S.-initiated "trap" to oust him from Nicaragua at a regional meeting. He said the real problem was an armed conflict "created artificially by the United States using Honduras" and he cited U.S. press reports in alleging that Washington was "promoting, financing, advising and assisting" counterrevolutionary bands.

He called for U.S.-Nicaraguan negotiations to deal with the conflict. In Managua, the Foreign Ministry said it was asking Mexico, Venezuela, Panama and Colombia to help arrange a U.S.-Nicaraguan dialogue and Nicaraguan-Honduran dialogue to settle disputes.

J. William Middendorf Jr., the U.S. delegate, backed the Honduran call for a five-way Central American meeting.



Troops beat back demonstrators who broke into the governor's mansion in São Paulo.

Rioting Subsides in São Paulo

Reuter

SAO PAULO — Heavy rain helped to cool tempers Wednesday after two days of riots and looting that followed a protest demonstration against unemployment.

Broken glass and debris from looted shops littered streets in the center of the city and many shops were closed. Armed police patrolled the streets in force, and no new incidents were reported Wednesday.

The disturbances, Brazil's worst civil unrest in three years, began Monday in the Santo Amaro neighborhood when a demonstration to protest unemployment and government economic policies degenerated into a looting spree.

A police spokesman said that a 63-year-old man had been shot to death near a supermarket during the looting.

Violence broke out again Tuesday in Santo Amaro and in the center of São Paulo. About 2,000 demon-

strators, including leftist politicians and union lead-

ers, broke down iron railings outside the governor's residence and invaded the grounds.

A presidential spokesman said that President João Baptista Figueiredo was following events in São Paulo, capital of the country's richest and most populated state.

The 2d Army, based in São Paulo, was put on alert, but an army spokesman said that it would be used only to maintain order if the state governor, Franco Montoro, requested assistance.

The governor, who took office March 15, met Tuesday with representatives of the protesters and appealed for calm. He promised to create more jobs.

Mr. Montoro, a center-left politician opposed to Brazil's military government, said in a television interview Tuesday night that small groups were carrying out a concerted plan of disturbances with the aim of upsetting the move toward full democracy in the country. He offered no details.

Talks Urged for Foes In Central America

By Bernard Weinraub
New York Times Service

WASHINGTON — A group of prominent U.S. and Latin American citizens say the Reagan administration, the Soviet Union and Cuba should hold a "many-sided dialogue" with the nations of Central America to find ways to end fighting there.

The group of officials, business leaders and clerics offer the proposal in a report to be issued Thursday. The report, which contains veiled criticism of U.S. policies in Central America, contends that "the basic roots of insecurity" in Latin America are not military but economic, social and political.

"The United States could do much to foster a climate of security in the region by making unequivocally clear its commitment to respect national sovereignty and not engage in 'overt or covert intervention,'" the report says.

It was sponsored by the Smithsonian Institution's Woodrow Wilson International Center for Scholars and was the result of six months of discussions conducted by Sol M. Linowitz, a former U.S. delegate to the Organization of American States, and former President Gale Plaza of Ecuador.

The report's U.S. signers include former Secretary of State Cyrus R. Vance; General David G. Jones, former chairman of the Joint Chiefs of Staff; David Rockefeller, banker and chairman of the American Society; the Reverend Theodore M. Hesburgh, president of the University of Notre Dame; Elliot L. Richardson, former secretary of defense; Ralph P. Davidson, chairman of the board of Time Inc.; Roberto C. Goizuela, chairman of the board of the Coca-Cola Co., and former Secretary of State Edmund S. Muskie.

Among the Latin American

signers of the report are Oscar Camalión, former foreign minister of Argentina; Antonio Carrillo Flores, former foreign minister of Mexico; Daniel Oduber Quirós, former president of Costa Rica; Archbishop Marcelo McGrath of Panama; Gabriel Valdez, former foreign minister of Chile; and Javier Silva Ruete, former finance minister of Peru.

The report says the International Monetary Fund and other international financial institutions "must increase their own lending if the vitally necessary flow of new private investment into Latin America is to resume."

"To end the hostilities in Central America," the report says, "a many-sided dialogue should begin among the governments of Central America, their opposition movements, the United States, Cuba and the Soviet Union."

The goal, the report says, "would be to explore whether the vital interests of each of the parties can be safeguarded without continuing war in Central America." Initial discussions "need not be publicized," the report said.

Police Superintendent To Resign in Chicago

Washington Post Service

CHICAGO — Police Superintendent Richard J. Brzezczek, a target of criticism from U.S. Representative Harold Washington, the Democratic candidate for mayor, has announced his resignation one week before the election.

Mr. Brzezczek, 40, said he hoped his resignation, effective the day a new mayor is inaugurated, would remove his "personality" as an issue in the contest between Mr. Washington and his Republican opponent, Bernard E. Epton.

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Political Appointees Back Foreign Service In U.S. Pension Fight

New York Times Service
WASHINGTON — Nothing rankles a career Foreign Service officer like the spectacle of a president appointing political buddies to prestigious ambassadorial posts over people who have spent their professional lives preparing for the job.

But recently career diplomats and political appointees have become allies in a struggle against an administration proposal to redesign the Foreign Service's retirement program as part of the effort to control pensions. By one calculation, some Foreign Service pensions would be cut in half.

In private cables to the State Department, several prominent ambassadors who are political appointees, and who therefore would be unaffected by any pension changes, have asserted that adoption of the plan would cause the departure of the most talented career Foreign Service officers, would cripple the service's effectiveness and would severely hamper future recruiting.

"Over the last 50 years, the Foreign Service has evolved from a rich man's club of Eastern Ivy League to a group which is more truly representative of the many elements which make up our nation's strength," Evan G. Galbraith, a former New York investment banker who is the U.S. ambassador to France, wrote Secretary of State George P. Shultz and other officials.

"If we want the Foreign Service to return to a rich man's club," Mr. Galbraith added, "all we have to do is start cutting back on these benefits. The rest will happen naturally."

John J. Louis Jr., ambassador to Britain and a longtime business executive and Republican financial backer, cabled that the proposed revisions would "cripple the nation's diplomatic effectiveness."

"We will not only lose immediately some of the best and the brightest," he said, "but we will drive able youngsters away from the Foreign Service as a career. Our policies would suffer and we would pay a price far greater than the fiscal cost of the modest retirement benefits now extended."

State Department officials said political appointees in Western Europe — Maxwell M. Rabb, ambassador to Italy and national vice president of President Ronald Reagan's 1980 campaign, and Arthur F. Burns, the economist who is ambassador to West Germany — jointly cabled Mr. Reagan and Mr. Shultz last month to oppose the changes. In another message, Mike

Mansfield, ambassador to Japan and former Democratic leader in the Senate, expressed concern about the "damage to morale and effectiveness" that he said would occur if the changes were enacted.

At issue are retirement benefits for 12,000 employees in the Foreign Service. Included are the 3,700 officers who operate 230 embassies and consulates in more than 140 countries, as well as officials of the U.S. Information Agency and the Agency for International Development.

The dispute is part of a larger battle over legislation, outlined in the 1984 budget, to increase the contributions of 1.9 million Civil Service workers toward their pensions and require them to work 10 additional years to receive full benefits. A spokesman for the Office of Management and Budget, Edwin L. Dale Jr., said the measures were necessary to combat unfunded liabilities — a future benefit obligation for which no money has been set aside — of nearly \$500 billion in the U.S. payroll system.

"Anybody who has a benefit doesn't want to see it taken away and can think of a dozen reasons why it should be," Mr. Dale said of the dispute.

The White House plans to submit the legislation in the next few weeks, Mr. Dale said. If Congress approves the bill, Mr. Reagan will make comparable changes in the pension plans of other agencies, including the Foreign Service, by executive order.

On that point, the ambassadors and the American Foreign Service Association, which represents Foreign Service officers, vehemently disagree. They cite the obligation of officers to serve overseas, often in hostile or unhealthy areas where they face hazards and hardships not normally encountered by Civil Service employees.

In an effort to illustrate the effect of the proposed changes, the president of the Foreign Service group, Dennis K. Hayes, used the example of an officer with 30 years' experience who retires at 55 with an average annual salary of \$55,000. His yearly benefits would, at present, be \$35,000, Mr. Hayes said, but would be halved under the new system.

"If this went through, a lot of people would take out their pocket calculators and draw negative conclusions," Mr. Hayes added. "I think you would see more and more of a transient Foreign Service, in which people would have the government train them and then go off and work for Citibank or Standard Oil of New Jersey."



CEMETERY CEREMONY — Thousands of Chinese in Hong Kong gathered this week in one of the colony's hillside cemeteries to observe the annual Ching Ming, or tomb sweeping festival. This is the time when Chinese pay homage to their ancestors by sweeping their graves and offering food and drink to their spirits.

Influence of Extremists on Sikhs Is Decried by Indian Newspapers

New Delhi — Militant Sikhs pressing for religious and political concessions in the northern state of Punjab are falling increasingly under the influence of extremists, Indian commentators and newspapers said Wednesday.

The commentaries and editorials said the growing strength of extremists within the Sikh party, the Akali Dal, is hampering movement toward an agreement in negotiations with the government of Prime Minister Indira Gandhi.

At least 21 persons were killed and more than 200 injured in violence this week when Sikhs blocked roads across Punjab to press demands, including greater autonomy for the state.

The government accused the Sikhs of using guns, swords and spears in battles with the police. Home Minister Prakash Chand Sethi said in Parliament that demonstrators had indulged in unprovoked violence and arson.

At least 15 of those killed were shot by the police, and Harbansingh Longowal, the Akali Dal leader, has demanded a judicial inquiry into what he called indiscriminate police action. He has alleged that the police killed 38 protesters.

In new clashes Tuesday in the Sikh holy city of Amritsar, 11 people were injured.

The Akali Dal, formed early this century, wants neighboring Punjab-speaking areas to be incorporated into the state.

It also wants redistribution of water rights and the spending of more local taxes on the state, a wealthy farming district where most of India's 12 million Sikhs live.

The government has already met most of the religious demands, which include permission to carry sacred daggers on domestic airline flights, a ban on the sale of alcohol and tobacco around the Sikh golden temple shrine in Amritsar and the broadcast of Sikh scriptures on local state-run radio.

But a demand for laws giving Amritsar control of the main Sikh temples across the country has not been conceded.

Indian newspapers said Wednesday that the government had gone a long way toward meeting the Sikh demands, and they called for fresh talks to reach a settlement.

The papers warned that the extremist wing of the Akali Dal could thwart a compromise. The Times of India said in an editorial that the extremists were holding the party to ransom.

Reasonableness and flexibility were required, the Times said, adding: "But these two qualities, alas, have become the first victim of Akali intransigence, born partly of the strife between the moderate leadership and the extremists, who are evidently holding it to ransom."

The Communist newspaper Praja said Mr. Longowal was surrounded by "hooligans, fugitives and extremists" who were hiding within the precincts of the golden temple shrine in Amritsar, which the police, by convention, do not enter.

Mrs. Gandhi has refused to concede demands for greater autonomy, saying that further concessions would encourage other states to press for autonomy.

But many politicians say they believe a commission set up last month to examine relations between the states and the national government has gone a long way toward narrowing differences with Akali moderates.

Hu Na, Tennis Star, Is Nonperson in China After Defection to U.S.

BEIJING — Before she sought asylum in the United States in July, Hu Na was one of China's brightest tennis hopes.

She was praised in magazine articles for her "miraculous courtcraft" and for her patriotic determination to win glory for China in international tennis tournaments.

But now Miss Hu, 19, is a nonperson in the official press, which studiously ignores cases in which Chinese seek asylum abroad, and her defection has further weakened the strained relations between China and the United States.

On Wednesday, China lodged a strong protest with the U.S. government over its decision to grant political asylum to Miss Hu, the New China News Agency reported.

Quoting diplomatic sources, the official agency said the protest was contained in a note handed to Ambassador Arthur W. Hummel Jr. by Vice Foreign Minister Han Xu. The agency did not reveal the wording of the note.

Despite its denunciation of the United States, China has shown a conciliatory attitude toward the young tennis star personally in an attempt to show the world she will not be persecuted if she returns home.

A Foreign Ministry spokesman said last month that Miss Hu would be free to compete in an international tournament in Switzerland in June if she returned, and "the question of persecuting her did not exist in the past, nor will it arise after her return to China."

The Western press has taken great interest in her case, because her defection while playing in a California tennis tournament last July came at a time of growing strains in the Chinese-U.S. relationship.

For several years, Washington and Beijing have been engaged in a dispute over the sale of U.S. arms to Taiwan. Friction has increased since Ronald Reagan became president, and a temporary compromise reached in August has done little to relieve the tension.

The Hu Na affair has added to the problems and has been made even more sensitive by the fact that she was quoted by The New York Times last month as saying that one of the reasons she decided to defect was her feeling that Chinese officials were trying to force her to join the Communist Party.

She also said she had often played tennis with one of China's most powerful leaders, Vice Premier Wan Li, and that he often lectured her on communist ideology after their games.

A Western diplomat said Miss Hu may have stressed the political reasons for her defection in order to obtain asylum under a 1980 U.S. law concerning the granting of asylum.

This law provides for sanctuary in cases where applicants establish a well-founded fear of persecution due to their race, religion, national political opinion or membership of a specific social group.

As part of China's attempt to pressure Miss Hu to return, the Chinese consulate in San Francisco has made public two letters from her parents begging her to return. A Chinese acquaintance of the tennis star said she had told her parents and close friends of her plans to defect before she left China.

There is a strong feeling in China, especially among older people, that to defect is a betrayal of the motherland.

Traditionally minded Chinese, therefore, find the frequent defections by Soviet citizens and other East Europeans difficult to understand, even though they are aware

of the temptations of the capitalist West.

But as a younger Chinese said, "Most of my friends would probably settle abroad if they were given the chance."

Despite social pressure in China on the relatives of defectors, they are probably not severely mistreated, diplomats said.

China's current leaders have strongly condemned the Maoist practice whereby the children and grandchildren of "class enemies" were themselves ostracized as reactionaries, and this attitude is thought to apply to the families of defectors.

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The International Herald Tribune and the High Council of Chambers of Commerce, Industry and Navigation of Spain invite you to

Meet the New Spanish Government

May 30 and 31, 1983 in Madrid

The election of a Socialist government in Spain is of particular significance to the international business community. After initial steps characterized more by pragmatic moderation than by left-wing ideology, the government of Felipe González is being closely watched to see whether it will succeed in restoring economic health to the country.

To help senior executives of foreign companies assess the prospects for their activities and investments in Spain, the International Herald Tribune and the High Council of Spanish Chambers of Commerce have organized, with the cooperation of the Spanish government, a conference on

MAY 30, 1983

GENERAL INTRODUCTION TO THE NEW SPANISH ECONOMIC POLICY

Felipe González, President of the Government

FOREIGN POLICY

Fernando Morán, Minister of Foreign Affairs

FOREIGN TRADE

Luis Velasco, Secretary of State for Commerce

LUNCHEON ADDRESS

Miguel Boyer, Minister of Economy and Finance

FINANCIAL AND MONETARY POLICY

José Alvarez Rendueles, Governor of the Bank of Spain, Miguel Ángel Fernández Ordóñez, Secretary of State for Economy and Planning

PANEL OF SPANISH AND FOREIGN BANKS

Chairman: Rafael Termes, President of the Spanish Private Banking Association

CONFERENCE REGISTRATION FORM

Return to: International Herald Tribune, Conference Office, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

Or telephone: 747 12 65, ext. 301, or telex: 612832

Please enroll the following participant for the conference to be held May 29 and 31, 1983 in Madrid. The participation fee is US\$75 or the equivalent for each participant.

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Fees are payable in advance of the conference and will be returned in full for any cancellations received on or before May 16. A cancellation fee of US\$150 will be incurred after this date. Cancellations received by the organizers less than 5 days before the conference will be charged the full fee. Substitutions will be accepted at any time.

"New Spanish Economic Policies," to be held May 30 and 31 at the Palace Hotel in Madrid.

The conference will be addressed by President of the Government Felipe González and those members of his government most directly involved in formulating and implementing the policies that will affect business in Spain. Additional presentations will be given by bankers, businessmen and trade union officials.

Each session will be followed by a question and answer period and simultaneous English, French and Spanish translations will be provided at all times.

To register for this exceptional international conference, please complete and return the registration form below today.

MAY 31, 1983

INDUSTRIAL POLICY

Carlos Solchaga, Minister of Industry

Enrique Moya, President of the National Industry Institute (INII)

FISCAL AND FOREIGN INVESTMENT POLICY

José Víctor Sevilla, Secretary of State for Finance

Gerardo Burgos, Director General of Foreign Transactions

PANEL OF SPANISH BUSINESSMEN

Chairman: Adrián Pina, President of the Madrid Chamber of Commerce and Industry

LUNCHEON ADDRESS

Speaker to be announced

TRADE UNION POLICY

Nicolás Redondo, Secretary General of UGT

Marcelino Camacho, Secretary General of CCOO

SOCIAL POLICY

Joaquín Almunia, Minister of Labor and Social Security

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Published With The New York Times and The Washington Post

THURSDAY, APRIL 7, 1983

NORTH CENTRAL TEXAS

A SPECIAL REPORT

'Silicon Prairie': High-Technology Clusters in Region

By Scott Ticer

BEHIND North Central Texas' image as a stereotyped economic center for oil, banking and retail, it is also a high-technology industry region that is beginning to rival California's Silicon Valley.

Welcome to Silicon Prairie, a loosely defined area that takes in the concentration of electronics companies in and around Dallas.

Sometimes the term is even used to encompass the entire high-technology industry in the state, which stretches 30 miles north of Dallas all the way south through Austin and San Antonio and even across the Mexican border, into an area called Silicon Gulch.

Whenever the boundaries, North Central Texas is the spot for high technology in the state. And in the last 10 years, high technology has become the biggest industry around.

About 20 percent of the Dallas-Fort Worth area's employment is directly linked to high technology, although most of that work is concentrated in electronics and to a lesser degree in aerospace and defense. Workers are manufacturing semiconductor chips, personal computers, sophisticated electronic defense systems, massive telephone signal switching stations, and even developing artificial intelligence programs for computers.

North Central Texas is the home of Texas Instruments, Dallas' technological strong-arm that changed the shape of the industrial world with its invention of the integrated circuit 20 years ago. Today, TI makes products ranging from sophisticated microchips to bigger than a baby's fingernail to small, home computers priced at only \$150. In the Dallas area alone the company is estimated to employ 24,000 or more individuals.

Nearby Fort Worth is the home of Tandy, a leader and pioneer in the personal computer industry and a well-known mass merchant of the consumer products of high technology. With its vast network of International Radio Shack stores, Tandy is billed as the world's largest retailer of electronics products with items ranging from cordless telephones to a full line of low and high-priced stand-alone, desk-top computers.

Mostek, a large semiconductor firm, and Apple Computer's flagship manufacturing facility are located in the Dallas suburb of Carrollton. Many of Xerox's small computers and office products are made, developed and marketed out of Dallas offices and plants. E-Systems, a leading company in defense engineering, sophisticated electronic defense intelligence and reconnaissance

science systems, is headquartered in the area. Electronic Data Systems, one of the largest and best-known data processing firms in the United States, was founded in Dallas.

Dozens of other multinational corporations have large divisions of marketing, development and light manufacturing in the North Central Texas area, including International Business Machines, Burroughs, Western Electric, the manufacturing arm of American Telephone & Telegraph, and Rockwell International. There also are dozens of small start-ups where entrepreneurs have jumped from places like TI, Mostek or Rockwell to try to make money with an idea, product or service of their own.

"The Dallas area is rapidly becoming the center of high technology not only in Texas, but the entire Southwest as well," said Michael Van Deelen, an electronics analyst with the Dallas-based brokerage firm Rauscher, Pierce Refsums. "We're starting to see a lot of technology emanate from the Dallas area," he said. "And more and more companies are coming all the time."

Michael Corboy, president of the cable equipment company TOCOM in the Dallas suburb of Irving, holds a similar view. When he first came to Dallas about 25 years ago, he said it was a shock to find that the only high-technology business in town was Texas Instruments, his new employer. Now, high technology is no longer the exception in North Central Texas, he said, it is almost the rule. "Dallas has really come alive with electronics," he said. "There are a lot of success stories. A bunch of people made a lot of money here."

When Mr. Corboy came to Dallas, Texas Instruments, for example, was a \$45-million-a-year company. Now it is a \$450-million-a-year company. In the Dallas area alone the company is estimated to employ 24,000 or more individuals.

New electronics companies throughout the area have experienced similar growth, although most of their activities are concentrated in Far North Dallas and suburban communities 10 to 40 miles north of central Dallas. Since the 1930s, Texas Instruments economists said, the number of electronics companies employing more than 50 people has grown from four in the 1930s to more than 60 today. More than 50 of those firms were started in the last 20 years. Half of them employ more than 100 local people; six employ more than 1,000 people; and three have payrolls with more than 5,000 people.

Dallas Skyline Proclaims Obsession With 'Money, Style and the Future'

By David Dillon

THE POPULAR myth about Dallas is that it has no reason for being, that it represents an act of will rather than a logical response to topography and climate. Like all myths, this one mixes truth with instructive simplifications.

Dallas sits on a stretch of flat, featureless North Texas prairie, along a river, the Trinity, that barely trickles most of the year. John Neely Bryan built a trading post here in 1841 to serve wagon trains heading west to Nevada and California. In addition to selling food, saddles, liquor and guns to pioneers, Bryan operated a ferry across the Trinity and sold house lots to people who preferred homesteading to adventuring. He was the archetypal merchant-speculator, and his opportunistic and entrepreneurial daring have guided the city ever since.

The Dallas of the 1980s is home for banks, insurance companies, department store chains and major clothing and furniture manufacturers. The world of J.R. Ewing, if it exists at all, lies to the south and west, around Houston and Midland. Dallas is a glossy and relentlessly mercantile city whose most conspicuous symbol is the new Hyatt Regency Hotel, a stunning cluster of reflective glass cubes and cylinders that tells the world what Dallas is about—money, style, the future. Most of its older buildings have been bulldozed and replaced with shimmering glass office

towers in the international modern mode.

True to its merchant-trader origins, Dallas has virtually unqualified faith in free enterprise and the entrepreneurial vision. City officials boast of a long history of important public-private ventures. In 1936, when the state was considering sites for its centennial exposition, a group of Dallas business and civic leaders traveled to the capitol in Austin, plucked down \$300,000 cash as seed money and brought the celebration to Dallas, to the chagrin of more deserving candidates such as San Antonio.

In the late 1960s, Dallas and Fort Worth teamed up to build one of the largest and most efficient regional airports in the country, a triumph of engineering and political astuteness that has paid off handsomely for both cities.

More recently, the city, arts organizations and private developers have collaborated to create a 20-block arts district in the center of Dallas. Included in the district, to be finished by the year 2000, are a new art museum designed by Edward Larrabee Barnes, a new concert hall by L.M. Pei and approximately 10 million square feet of office and retail space. It is one of the largest urban revitalization projects in the country, a fact that Dallas officials point out at every opportunity.

Yet, along with this optimism and faith in the future goes a constant tempt for critics, who are constant-



A cheerleader for the Dallas Cowboys.

Michael W. Bond

Football: High Society Event

Home Games for Cowboys Transcend Simple Sports

By Temple Pouncey

THE STELLAR social event on the Dallas-Fort Worth calendar is not the Cattle Baron's Ball, Newman-Marcus' fall sale or even the annual State Fair of Texas.

"The most 'in' place to be is a Dallas Cowboys football game. To regard it as simply a sports event is to think of the Venus de Milo as just a statue."

The Cowboys pride themselves on a winning tradition. The team has had only one losing season since 1966 and has reached the National Football League's championship game, the Super Bowl, five times, winning it twice. Its 65,101-seat Texas Stadium was

sold out for 44 consecutive games until resentment over a players' strike ended the string last December.

But beyond victories, Cowboys fans come for splendor and socializing. The \$35-million stadium, completed in 1971, is an oval showplace designed for only one sport: football. Every blue theater seat has an unobstructed view of the field. Each fan is shielded from bad weather by an open steel dome supported by 12 free-standing concrete buttresses that make the stadium resemble, in the words of a local newspaper architecture critic, "a secular Chartres Cathedral."

The stadium was to have a sliding roof, but that proved to be impractically heavy. Thus the roof has a rectangular hole — "so God can watch the Cowboys play," fans say.

Kinging the stadium between the lower and upper decks are 178 circular suites sold 12 years ago for \$50,000 each. Some suite owners have spent that much again in decorating and furnishings. Queen Anne chairs, Chippendale highboys, crystal chandeliers and oil paintings are among the lavish appointments. Bartenders are on duty in most suites on the days that the social elite mull on boiled shrimp (\$140 a bowl), sip wine and watch instant replays on wall-mounted color television sets.

Mary Kay Ash, a Dallas resident who built a multimillion-dollar cosmetics empire, decorated her box in her favorite color, pink. One decorated, 10-seat box was resold last year for \$600,000. "You can't touch one," one owner said, "for less than \$350,000."

Suite guests and end-zoners alike have been spoiled by one of the world's most stable and successful sports teams.

When oilman Clint Murchison Jr. bought the expansion franchise in 1960 for \$600,000, he hired television executive Texas E. Schramm — his real name — as general manager, former University of Texas quarterback Tom Landry as head coach, and costume baby photographer Gil Brandt as chief scout. Twenty-three years later, that triumvirate remains intact. Even the original ticket manager, Kay Lang, is at her post.

Through six losing seasons, Landry and Brandt patiently built their team through the draft and by signing obscure free agents who blossomed into stars. Since the Cowboys became winners in 1966, the stoic Landry, with his trade-

mark snap-brim hat, has been recognized as one of the most innovative and successful coaches in U.S. football history.

From the mid-1960s, when network television helped make pro football the United States' most popular sport, some of its most popular players have been Cowboys: Hall of Fame tackle Bob Lilly, colorful quarterback Don Meredith — now a football analyst for network television — Olympic sprinter and pass receiver Bob Hayes, scrambling quarterback Roger Staubach and one of the best running backs in the game today, Tony Dorsett.

The Cowboys wear honest-to-goodness white shirts at all home games, where most NFL teams display their colors. The ultra-clean stadium — in which alcoholic beverages are not sold, except in the circle suites — Landry's personal reserve and finesse "flex" defense, and computerized player analysis have given the Cowboys an image of sanitized violence.

Individual heroes, from Hayes' long-range touchdown catches to Staubach's last-minute comeback victories, have made Cowboys supporters the NFL's best sellers, doubling the sales of their nearest competitor. Beer steins, diaper sets and cardboard fans are among the dozens of items bearing the team logo, a white element with a silver blue star.

In a 1980 highlight show, NFL Films christened the Cowboys "America's Team," a nickname that opposing fans have delighted in ridiculing. Yet the team's nationwide following is illustrated by its radio network, which broadcasts every game on more than 200 stations in 18 states from Florida to Alaska — plus a 27-station Spanish-language network that reaches five states and Mexico.

Perhaps just as famous as the team is Schramm's pet creation, the Dallas Cowboy Cheerleaders.

The dancing girls, in blue blouses and white vinyl vests, shorts and boots, pioneered pro football sex appeal. They practice and perform 50 different routines for pay of only \$15 a game, but they have been the subject of two full-length made-for-television movies, have published a dance and exercise record album and a hardback book entitled "Decade of Dreams," and have performed for U.S. troops from Europe to the Far East. Every year, about 2,000 applicants vie to be one of the 32 cheerleaders.

Dallas Business Leaders Play Key Role in Growth, Political Structure of City

By Henry Tarum

DALLAS BECAME the seventh largest city in the United States through a combination of powerful business leadership and unabashed boosterism.

"What's good for Dallas is good for business" is an often repeated theme that is still deeply rooted in the politics of the city.

Seven of the last eight mayors of Dallas during the last 30 years have been millionaires who ran for office with the strong financial backing of the business community.

Fort Worth and Dallas are as different as day and night in their urban styles. While Dallas attempts to capture the cosmopolitan feel of an Eastern City, Fort Worth brags that its city limits mark "where the West begins."

Although the population of Fort Worth is approaching 400,000, city political leaders still want to be known as just plain folks. House Majority Leader Jim Wright, with his bushy eyebrows and Southern-preacher style of speech, is a graduate of the Fort Worth school of politics.

Despite the differences in style, the Fort Worth leadership has been successful in accomplishing a number of major goals including a total overhaul of the downtown business district. Hundreds of millions of dollars of new construction in recent years have changed the skyline of Fort Worth and captured the attention of investors who normally would look only to the Dallas area for potential development sites.

For years, Fort Worth politics was controlled by a group of downtown bankers commonly known as the "Seventh Street Gang." The label stuck because most of the major financial institutions were located on Seventh Street. But Fort Worth voters have elected three major executives, who had no direct links to the banks that once dictated city politics.

With the growth of the area, residents are more interested in solutions to the long-range problems of Fort Worth than in the labels of candidates.

The current mayor of Dallas, Jack Evans, is president of the Cullum Companies, a large conglomerate that operates a chain of supermarkets and drugstores throughout the Southwest. Last August, Mr. Evans caught the city leaders off-guard by announcing he would not seek a second term.

A \$500,000 political campaign has been mounted to try to convince Dallas voters to elect A. Starke Taylor, a wealthy investor, to succeed Mr. Evans in May. But Mr. Taylor's main opponent in the race is Wes Wise, the man who broke the long chain of millionaire Dallas mayors when he upset the business establishment's candidate in 1971.

The heavy advertising expenditure of Taylor supporters to overcome the name identification of Wise has refocused public attention on the influence of business in Dallas city politics. Some voters have questioned why a candidate would spend \$500,000 to win a political office that only pays \$50 a meeting. Since Dallas operates as the largest city in the United States with a council-manager form of government, service as mayor is not considered a full-time job.

In contrast, Dallas City Manager Charles Anderson receives an annual salary of approximately \$100,000, making him the highest paid municipal official in the nation. Even Mr. Anderson's assistant city managers make in excess of \$75,000. But the low salary for mayor and 10 other members of the City Council has never caused a shortage of candidates for the elective positions.

Each year, voters traditionally have rejected efforts to provide better pay to City Council members on the basis that so-called "professional politicians" would try to gain control of the council seats.

The close link between the business leadership and City Hall dates back to 1930 when the council-manager government was established in Dallas. Before then, the municipal government was operated by a 5-member City Commission that was plagued by charges of graft and corruption.

Executives of the major businesses formed the Dallas Citizens Charter Association and successfully worked for replacement of the commissioners with a city manager and city council system. For the next 40 years, the Citizens Charter Association held firm control over the selection of Mayors and City Council members in Dallas.

Candidates who were not endorsed by the CCA had virtually no chance of winning seats on the City Council.

The first break in the CCA grip on local politics came when Mr. Wise defeated Avery Mays, a construction company executive, in the mayor's race 12 years ago. But the eventual downfall of the association began in 1975 when the federal courts ruled that the at-large election system for the Dallas City Council discriminated against minority candidates.

Today, eight of the 11 City Council members are elected by voters from within specific districts in Dallas. The mayor and two other council members are still elected citywide.

The CCA continued to endorse in the 1975 election but finally disbanded when candidates began worrying about being labeled part of the business establishment in district races. Suddenly, the endorsement that once was such a necessity had become a liability in

areas of Dallas where minorities and moderate income residents were the primary voters.

Despite the disappearance of the old CCA, the business community has not abandoned its involvement in municipal politics. The Dallas Citizens Council, an organization composed of the chief executives of the top banks, utilities and corporations in the city, continues to work behind the scenes on major municipal and school district issues.

Although there no longer are official endorsements, favored candidates are still well financed by individual members of the Citizens Council.

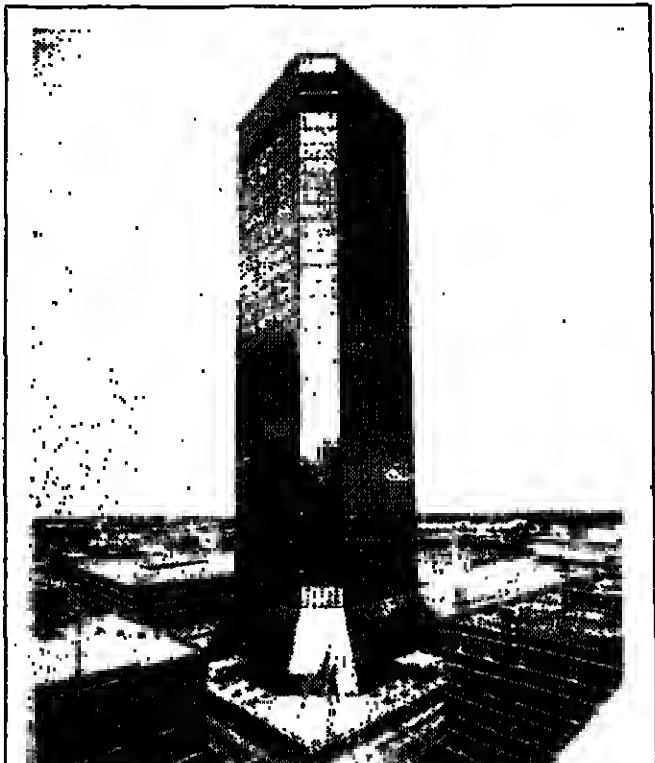
The domination of government by the business establishment came under heavy attack in the news media following the assassination of John F. Kennedy. Dallas became known as a "city of hate" that was controlled by a small oligarchy of conservative banking and industrial leaders.

It took the city years to overcome the stigma of that period in the mid-1960s. Now, the involvement of business in politics is the most popular explanation why Dallas continues to thrive in the 1980s, while other cities are faltering.

Last year, Time magazine called Dallas "the city that works" in a lengthy article about the troubled financial condition of municipal governments.

Within the last decade, the city government has built the massive Dallas-Fort Worth Airport, a new City Hall, a 6-story downtown library, and a major sports and entertainment arena. A new Dallas Museum of Art building will be completed in the downtown arts district next November and preparations are under way for construction of a symphony hall nearby. Last August, Dallas voters approved a record \$247-million bond issue that many political analysts warned would never pass because of its size.

Yet to be resolved, however, is the severe traffic problems of this rapidly growing city. City leaders will try to convince residents next summer to create a Dallas Area Rapid Transit authority that can levy a 1-percent sales tax to finance mass transportation programs. If creation of a regional transportation authority is rejected, Dallas will be headed for the same congestion woes of Houston within the next few years.



Fort Worth National Bank's 37-story tower reflects sun down onto an Alexander Calder sculpture, "The Eagle," placed on a triangular plaza. The building was designed by John Portman of Atlanta.

Regional Economy Is Expected to Soar With U.S. Recovery

By Richard Alm

PERCHED ATOP THE concrete and glass ridge of the downtown skyline, a dozen cranes confirm Dallas' economy has continued to prosper, even during the worldwide recession of the last 18 months.

The suburban slump did not completely bypass Dallas and its sister city of Fort Worth, 30 miles to the west.

But the symptoms of the metropolitan area's recession were mild compared with most other parts of the United States. Now, the prospect of recovery in the national economy gives the optimistic Dallas-Fort Worth business community new reasons for pushing.

"The recession has ended here, and I see quite a good economic outlook," said William Gibson, chief economist for Dallas-based Republic Bank Corp. "I think the Dallas-Fort Worth economy is going to lead the state and may even be out in the forefront of the nation in terms of the turnaround."

In justifying his bullish forecast, Mr. Gibson points to the balance and diversity of the area's economy. He anticipates strong growth in housing, finance, electronics, defense production, apparel and wholesale and retail trade. The economy benefits, too, from what it lacks: the tired, heavily unionized "smokestack" industries that are declining in other parts of the country.

The Dallas-Fort Worth area lost about 20,000 manufacturing jobs during recessionary 1982; yet, overall employment rose by 15,000 workers. The biggest gain was in the rapidly growing service sector, followed by trade and finance, insurance and real estate. The current unemployment rate of 6.1 percent — a percentage point higher than a year ago — stacks up well against the national rate of 10.4 percent.

"During 1982, the Dallas-Fort Worth area was the only major metropolitan area in the country to show employment growth," said Bernard Weinstein, an economist at the University of Texas at Dallas. "It wasn't much: less than 1 percent, but it occurred despite the bankruptcy of Brant International Corp. and a severe national recession."

In addition to a fortunate mix of industries, the Dallas-Fort Worth area has an edge in demographics: its population is younger, wealth-

er, better educated and more mobile than the rest of the nation. The large chunk of people in their accumulating years — the years of prolific spending on the trappings of the middle-class life of the affluent and educated — has not escaped the onsets of retailers and home-builders.

Some department store giants, Bloomingdale's and Saks Fifth Avenue of New York and Marshall Field of Chicago have entered a market in which retail sales grew three times faster than the national average in 1982. At the same time, the Dallas-Fort Worth area, with 1.3 percent of the nation's population, recorded 5.6 percent of all U.S. housing starts.

"In most categories of housing, 1983 looks to be a stronger year than 1982," said Ron Witten, president of MPF Research, local real estate consultants. "We didn't really see a big jump in single-family starts until the second half of 1982, and 1983 is stacking up as a pretty strong year from start to finish."

Local industry leaders expect Dallas and Fort Worth to surpass Houston this year as the country's fastest growing housing market. In non-residential construction, a leveling off of office buildings should be balanced by new building for retail stores, Mr. Witten said.

Even the buoyant Dallas-Fort Worth economy will be hindered by high interest rates and a national recovery expected to be subpar by historical comparison.

A special problem for energy-dependent Texas — and, in particular, the once fast-growing city of Houston — is the slump in oil prices that has discouraged drilling activity worldwide. It will put a damper on Dallas and Fort Worth, but economists say the area's diversity probably will help insulate it from the worst effects of lower oil prices.

"We don't have the same reliance on energy as Houston or west Texas," Mr. Weinstein said. "We're not a major producer of drilling equipment, drilling pipe or oil rigs. We don't do the refining or processing. We do a lot of the financing, and that's where there's some vulnerability."

InterFirst Corp., the state's largest bank holding company, announced recently that problem loans, primarily those to the energy industry, made necessary an increase from \$18 million to \$33 million in its provisions for loan losses. Other banks have taken similar actions.

NORTH CENTRAL TEXAS

Flow of Foreign Funds Into Region Increasing

By Stuart Silverstein

ROBERT R. LAMM found the going slow in the early 1980s when he tried to talk Western Europeans into investing in real estate in the Dallas area.

Mr. Lamm, president of a Dallas-based real estate company that carries his name, said many overseas investors were reluctant because they had not heard of Dallas.

And those who had worried about the area's political climate because they associated Dallas with the assassination of President John F. Kennedy.

That situation, however, turned around. Propelled by the economic boom throughout the Sun Belt and by its own growing mystique, Dallas began attracting large amounts of overseas money in the late 1970s.

In addition, several major real-estate investment and development companies with overseas ties established U.S. subsidiaries based in the Dallas area.

Dallas also benefited from the political instability and dwindling of good investment opportunities overseas that have long attracted foreign investors to the East and West Coasts and well-known resort areas.

"Now it's purely a question of when you get into the [Dallas] market," said Michael Young, a local commercial real estate broker.

"We've got a whole different set of players here now than we did five years ago," Mr. Young added.

Despite the droves of wealthy individuals buying land and making other investments locally, by far the biggest share of the overseas money comes from major developers and investment companies managing millions in pension funds.

Canadians, led by developers such as Cadillac Fairview and Olympia & York, are easily the largest foreign investors in Dallas real estate, but several overseas companies also have become major players in the market.

Most real estate analysts say Britain pumps more money into Dallas real estate than any other overseas nation, followed by Germany and the Netherlands. Other leading sources of capital are Belgium, France, Japan, Taiwan and Hong Kong.

Rumors about rich Arabs periodically hit the local real estate market, but industry observers say few Middle East investors are represented here. One exception is Ghaith Pharaon, a Saudi who owns an interest in the Plaza of the Americas office-hotel complex on the eastern edge of downtown Dallas.

The company is widely believed to be the largest conduit for overseas money into the Dallas area, and among the largest nationwide is Lehndorff Management U.S.A. Ltd., which set up headquarters in Dallas in 1979. Its parent is Lehndorff Vermögensverwaltung of Hamburg, Germany.

M. Thomas Lardner, executive vice president and general manager for Lehndorff in Dallas, said the company's assets totaled more than \$100 million locally and about \$1.2 billion in the United States. That money mostly comes from institutions and individuals from Germany and Switzerland.

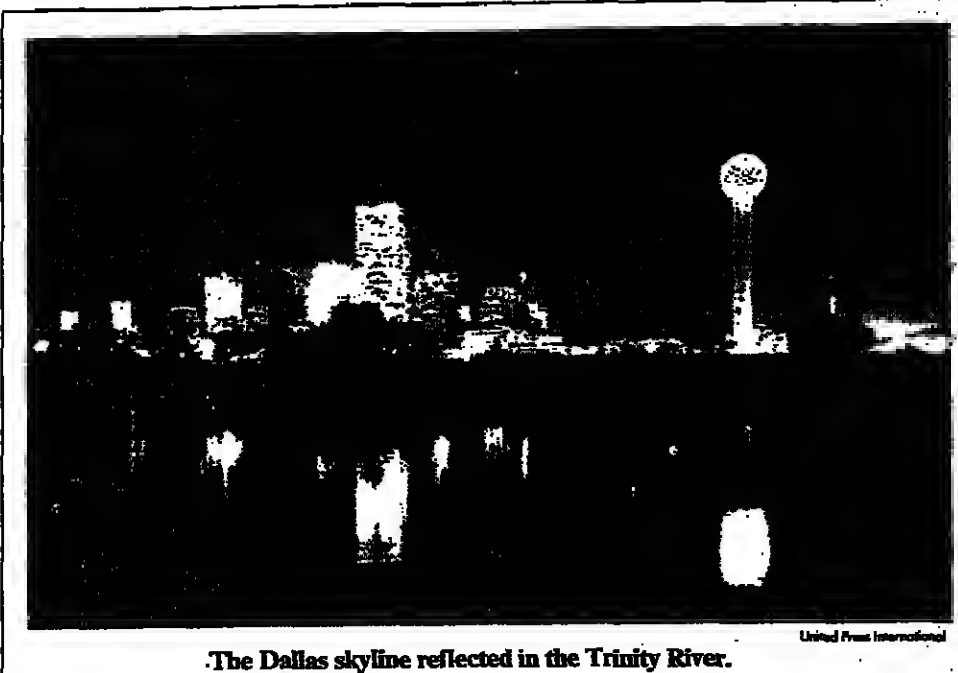
Like most big overseas investors, Lehndorff has tended to put its money into existing buildings or joint-venture projects with local developers. Its interests in the Dallas area include 10 industrial buildings and six office buildings, none of which is a major office tower.

Lehndorff also owns about 30 acres in the Oak Lawn section of Dallas, an area immediately north of downtown undergoing extensive redevelopment. In rapidly growing Collin County, which contains some of Dallas' northern suburban sprawl, Lehndorff owns 2,000 acres of undeveloped land.

Several other major overseas companies have set up U.S. subsidiaries in Dallas and embarked on major office building projects with or without local partners.

They include Delphinance Development, the U.S. arm of a construction and shipping company based in Athens that has invested \$100 million into office projects in the Dallas area.

Other major overseas investors in local office projects are MPEC Americans Properties Inc., from London, with \$75 million invested locally, and SPG International, from Geneva, Switzerland, whose local investment is not disclosed.



The Dallas skyline reflected in the Trinity River.

Building: New City Centers Emerge Dallas-Fort Worth Skyscrapers Changing Despite Recession

By Bill Marvel

WHILE THE skylines of other major cities stagnate because of the recession, new central cores have been under construction in Dallas and Fort Worth.

InterFirst is just one of a half-dozen or so new high-rise towers under way or nearing completion in Dallas. A half dozen more have been topped off and have opened to tenants within the last two or three years. Altogether, about 3.7 million square feet of new office space were finished in Dallas last year. Six million more will be added by the end of next year and more is on the drawing boards.

The new construction is a source of satisfaction to the city's tax department and to civic boosters. But so far it has brought little joy to lovers of fine architecture. While Dallas' broad-new skyline impresses as an ensemble, taken individually, few of the buildings rise above the mediocre.

There are exceptions: Arco Tower, a 49-story gray-sheathed building by L.M. Pei & Partners, has a floor plan resembling two triangles nestled together edge-to-edge. It rises as gracefully as the bow of a clipper ship. One Dallas Center,

another building by Pei, is a diamond-plan building of elegant geometry, resembling three tall books on a shelf.

By far the most wonderful creature on the Dallas skyline is the Renaissance Tower and the adjoining Hyatt Regency Hotel. The tower, with its revolving restaurant, looks like nothing so much as a dandelion in seed or a golf ball on a very tall tee. The Hyatt looks like Oz. A stepped tower wrapped in sea-foam colored mirror glass, it has become a landmark, standing at the west end of the central business district where it catches the last rays of the dying sun.

Mirror-glass is the reigning architectural cliché in Dallas. The city now has examples in gold (Shamrock Tower), silver (Thanksgiving Tower) and even emerald green (St. Paul Tower). Until recently, the reigning style was something that might be called Glass-Box International. Now that has been superseded by something that might be called the Late Modern Nip-and-Tuck. Most of the new buildings have saw-tooth corners so that developers can lease out as many expensive corner office spaces as possible. InterFirst's

70-story tower will offer 16 corners per floor. Olympia Tower, 37 stories of light gray granite with notched edges, offers 14 per floor.

Meanwhile, 30 miles west of Dallas a flurry of new office buildings has left downtown Fort Worth with four new towers, including two very elegant skyscrapers by the architect Paul Rudolph. Although made of reflective glass, both avoid the boxy look of so much Dallas architecture. Fort Worth's tallest building, on the other hand, the grim-looking 40-story First United Tower, resembles nothing so much as a large gray tombstone.

And out on the prairie between Fort Worth and Dallas, yet another skyline is taking shape. Las Colinas, a huge development near Dallas-Fort Worth Airport, is less than five years old, yet it already boasts a cluster of high-rise office buildings. It has been called an instant city. In fact, one former Dallas resident who had been away for a couple of years was flying to Dallas-Fort Worth recently when he happened to look out the window and behold the towers of Las Colinas. For just a moment he thought he was looking at downtown Dallas.

A City of New Republican Strength Prepares for Party's '84 Convention

By Dan Balz

THE CITY of Dallas is getting ready for a coming out party.

Its convention center is undergoing new construction, hotel rooms are being booked by the thousands and telephone company officials are already thinking about the miles and miles of cable they will need to put into place.

The reason for all this activity is that the Republicans are coming to town for the 1984 presidential nominating convention.

The delegates will either renominate President Ronald Reagan, if he chooses to seek re-election, or fight over his rightful heir.

The big event, which will draw worldwide attention, will give Dallas the opportunity to show off its credentials as perhaps the most Republican city in the United States. "There isn't a better prototype of the Reagan economy than Dallas," county Republican chairman Fred Meyer said.

President Reagan has been partial to Dallas, seemingly ever since he came here in August 1980 and, in front of a convention of evangelicals, questioned the theory of evolution. The remark embroiled Mr. Reagan in a controversy even before he had fully launched his presidential campaign, and the forum where he had made the comment seemed to symbolize the kind of climate that had long existed in Dallas.

The political image of Dallas was perhaps forever tarnished on that November day in 1963 when President John F. Kennedy was assassinated, allegedly by Lee Harvey Oswald from a sixth-floor perch in the old Texas School Book Depository. The site remains one of the most popular tourist attractions in the city, and it is a constant reminder of the kind of rightist, hate-filled politics that once dominated the city.

But although Dallas has long been conservative in outlook, it is only recently that it has emerged as a genuine Republican city. Texas, like most states of the former Confederacy, has been in the struggle-hold of the Democratic Party since the end of the Civil War. What political debate occurred existed between the warring wings of the Democratic Party, not between the two national parties.

In the 1920s, things began to change, and Dallas came to the forefront by electing the first Republican member of Congress in the state since Reconstruction. At the same time, led by conservative Democratic Gov. Alan Shivers, many Democrats abandoned their own presidential nominee, Adlai Stevenson, in favor of Republican Dwight Eisenhower.

What would later become known as the New South appeared to be taking shape in Dallas under the influence of conservative Democrats and a powerful and highly conservative newspaper, the Dallas Morning News. The 1952 election began a trend in which Dallas voters voted Republican in national elections, while maintaining their loyalty to the Democrats in city and county elections.

The lone exception came in 1964, when Lyndon Johnson, a Texan, was seeking re-election and was supported by the local conservative Democratic establishment. The ascendancy of Mr. Johnson arrested the movement of conservative Democrats in Dallas and other parts of Texas toward the Republican Party. What politicians from both parties learned was that Dallas conservatives were less Republican or Democratic than they were safely establishment, and in the 1960s, the establishment in Texas was with Lyndon Johnson.

Republican fortunes in Texas got an unexpected boost in 1978 when a wealthy Dallas oilman and former Defense Department official named William F. Clements Jr. scored a stunning upset to become the first Republican governor in Texas in more than a century. With a campaign war chest of more than \$7 million—much of it his own—Mr. Clements took advantage of a deep split among the Democrats to slip into the governor's mansion.

Many Texans had firmed with the Republican Party, especially after the conversion of John R. Connally, who had served the state as a Democratic governor, but later joined President Richard Nixon's cabinet as treasury secretary. But after the election of Mr. Clements, it became acceptable for lifelong

Democrats to vote Republican in more than presidential and senatorial elections. Mr. Clements, after all, was now the new establishment, with the power to appoint judges and the membership of the boards and commissions that actually run the state government.

Mr. Clements moved quickly to expand the power of the party, and Dallas became a center of this historic transformation. Today, the Republicans hold at least two-thirds of the roughly 120 elected offices in the county and have all but about a dozen of the more than 70 local judgeships. Before the 1978 election, there was not one Republican judge in the county.

At the time the Republicans settled on Dallas as their choice for the national convention, it seemed like the ideal place, a solid Republican city in a state seemingly undergoing a Republican transformation.

But that suddenly changed last November when the heavily favored Mr. Clements, despite a campaign treasury of nearly \$15 million, lost his bid to Texas Attorney General Mark White and the newly united Democratic Party. Democrats began talking about taking their nominating convention to Houston in a bit of political one-upmanship. The Republican Party's fortunes were at their lowest point in more than a decade.

But Dallas remains the party's spiritual center, and local leaders hope to put their brand of Republicanism on display when the convention arrives in 1984.

Growth and the arrival of conservatives from the North have changed the political climate of the city. Republican pollster V. Lance Tarrance, who is based in Houston, said: "Dallas is definitely out ultra-conservative. A lot of that got washed away by the newcomers. They're thinking more national today."

Instead, the politics of the city is increasingly dominated by the kind of middle-class conservatism that was so important to Mr. Reagan's victory in 1980. Dallas County Republican chairman Fred Meyer noted: "We're not Orange County [the suburban far rightist California region] and we're not right-wingers. We're conservatives."

Growth of Conventions Is Bringing Billions Into Twin-City Economy

By William G. Smith

IN JANUARY 1980, the City of Fort Worth could count only 400 total downtown hotel rooms to convention planners wishing to gather their delegates there. Today that number is 1,600, through the addition of the new Hyatt Regency and Americana hotels and the expansion of an existing Hilton.

Thirty miles east of Fort Worth, the city of Dallas by March 1984 expects to complete an expansion of its Dallas Convention Center that will bring the center up to 1 million square feet of space under roof, including 678,940 square feet of exhibition space alone. Already second only to Las Vegas as the site of the nation's largest convention facility, Dallas is aiming for the No. 1 spot.

The purpose of the sister cities' expansion drive during contrite economic times is simple: power economics, the kind that directly injects more than half a billion dollars annually into the Dallas economy and almost one-sixth that amount into Fort Worth through convention business.

According to some economists, dollars coming in are a gain worth three to seven times the actual value of the dollars themselves, due to the "multiplier effect." The concept holds that a convention dollar is spent several times as it seeps through the local economy, thus supporting many more businesses and paying many more debts than the original transaction.

Dallas and Fort Worth largely eschew the multiplier, but welcome the underlying business. The Dallas Convention and Visitors Bureau said "around \$325 is what an average convention delegate leaves in the city from the time he gets off the plane until he gets back on; and we're just happy he's leaving it here."

That he could be leaving it in any number of meeting-place meccas has led both Dallas and Fort Worth to become intensely competitive for convention business. However, the intramural competition between the two anchors of what is billed as the Dallas-Fort Worth Metroplex is slackened somewhat by their acknowledgment of different strengths.

Fort Worth bases its appeal to convention planners largely on its Old World charm—or, better put, on its "Old West" charm. "The unique thing about Fort Worth is our Western heritage and the idea that you can come here and see preserved a real piece of the West and the Texas West," explained J. Russell, executive director of the Fort Worth Convention and Visitors Bureau. "We sell our stockyards area [renamed more with Western shops and country and Western nightclubs than with cattle], and we sell our Western museums and cultural areas when we sell the city."

Dallas sells its success and its size. Charles Bass, director of the Dallas Convention and Visitors Bureau, said convention delegates

have a subtle psychological affinity with a successful city—a "city that works," as Dallas has been widely identified—and the size almost is self-explanatory. Until recently, groups like the National Association of Home Builders could physically meet in only four cities: Chicago, Las Vegas, Houston and Dallas. Although Atlanta and Anaheim, in California, recently have also expanded, Dallas with 35,000 hotel rooms either in place or coming on line—retains a place in the sun as comfortably housing either behemoth conventions or a whole lot of lesser lights.

However, both Dallas and Fort Worth lean on their unique strengths only after they have touted their common ones, namely location and people. Location almost always translates into two components: central United States and Dallas-Fort Worth Airport, the "airport as big as Manhattan."

"You can get here from anywhere," Jet Russell asserted. "There's no question that D/FW [airport] is our greatest asset as far as getting in and out of the city is concerned," Mr. Bass agreed. Concerning the "people" appeal of the Metroplex, Mr. Bass added, "The waitress in the morning who compliments a man on his tie, and means it, or says 'Good morning' and means it—that is what sells a convention."

Regardless of that type of soft-sell, or self-sell, both Dallas and Fort Worth have tooled their selling organizations for a real fist fight with other cities. The Dallas Convention Bureau is operating on a \$2.45-million budget this year, against the \$1.2 million it had in 1979, and Fort Worth's counterpart bureau is spending \$1.1 million this year, compared with around \$300,000 five years ago.

Both report expanded numbers of meetings attracted—2,000 for Dallas and 330 for Fort Worth last year, against 1977 figures of 1,189 and 205, respectively.

"I call it the '10-for-7 routine,'" Mr. Bass explained. "You've got to book 10 meetings to get the same attendance you had at seven meetings five years ago. We've got a hell of a lot more meetings but less attendance per meeting."

Despite the recession and travel cutbacks by prospective conventioners, total delegate expenditures locally have been on the rise in both cities, Mr. Bass and Mr. Russell indicated. Individual per delegate, per-day spending also is on the rise, averaging \$81 in Dallas and \$65 in Fort Worth, compared with \$65 and \$44, respectively, five years ago.

Dallas' appeal to national and international conventions tends to make its delegates stay longer (3.5 to 4 days) than conventioners visiting more regionally oriented Fort Worth (3 days), but both cities enjoy brisk retail fallout from international visitors either wanting to be outfitted like cowboys in "Cowtown" or wanting to shop the Neiman-Marcus and Saks Fifth Avenue circuit in more urbane Dallas.

Beginning around late summer, international visitors will find an additional amenity awaiting them in Dallas. Its convention bureau is installing a computerized visitor information service in downtown Union Terminal, featuring touch-sensitive screens that allow visitors to call up information and travel directions in four languages: Japanese, Spanish, German and English.

Some of the directions even tell the visitor how to get to Fort Worth.

The Dallas Skyline: An Obsession

(Continued from Preceding Page)

Fort Worth became as accessible as Dallas to corporations hunting for a new home. The current migration to the Sunbelt has only increased the pressure until now downtown Fort Worth contains three new 40-story office towers, and several more in the planning. Twice as much new office space has been built in downtown Fort Worth in the last three years, some 3.5 million square feet, as in the preceding three decades.

All of which has plunged Fort Worth into an identity crisis. For while it is trying to compete with Dallas, it is also trying to hold onto its past. Within the shadows of the new office towers are a newly restored courthouse, a restored hotel and two entire blocks of turn-of-the-century commercial buildings that have been renovated for shops and restaurants.

Typical of Fort Worth, much of the restoration work is being carried out by one person, Sid Bass, the philanthropist, who is attempting to do for Fort Worth what the Medici did for Florence.

The tradition of private philanthropy remains far stronger in Fort Worth than in Dallas. Two of the finest museums in the country, the Kimbell and the Amon Carter, have been generously endowed by private individuals. Many great art collections are in Dallas, including important collections of Impressionist and Constructivist art, but the great museums are in Fort Worth. The Kimbell also sits directly across the street from the Will Rogers Coliseum, home of the annual Fat Stock Show. Nothing epitomizes Fort Worth's fascination with both high and popular culture better than this juxtaposition.

The street has historically been Fort Worth's focus. Of late, it has been giving more and more attention to its skyline, making bold sculptural statements that are meant to dazzle motorists on the freeway. Dallas does this because it wants to, and because now it cannot do anything else. But Fort Worth is not Dallas. It is smaller, more coherent, more deeply rooted in history.

Which of the following companies recently located in Las Colinas?

- ☐ American Express
- ☐ Caltex Petroleum Corporation
- ☐ CBS-TV
- ☐ Curtis Mathes
- ☐ Dallas Federal Savings
- ☐ Dallas Communications Complex
- ☐ McDonnell Douglas Automation Co.
- ☐ Mary Kay Cosmetics
- ☐ Mitsubishi Electric Sales America, Inc.
- ☐ Purolator Courier Corporation
- ☐ Rockwell International
- ☐ SHWC, Inc.
- ☐ Sperry Flight Systems
- ☐ Union Carbide
- ☐ United Technologies
- ☐ Vaughan Walls, Inc.
- ☐ VWR Scientific, Inc.
- ☐ Warner-Lambert's Nuclear Medical Laboratories
- ☐ Xerox Corporation
- ☐ Zale Corporation

All of them.

They chose to join the more than 300 companies already here. And they had good reasons to make the move. Las Colinas is the premier business location in the Southwest, affording corporations an environment unsurpassed for convenience and cost efficiencies.

It's the kind of environment that helps businesses grow. Maybe that's why Las Colinas itself continues to grow faster than any other planned business community.

Las Colinas

The Southwest's Premier Development

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A prudent acquisition investment philosophy, combined with financial and property management knowledge, has created consistently strong yields for our management partners. This expertise has brought Lehdorff's assets from \$12 million in 1965 to more than \$2 billion presently.

For more information about investments, please contact one of our offices listed below.

Featured is the 38 story, 890,000 sq. ft. Wells Fargo Building in the heart of Downtown Los Angeles. The Lehdorff Group recently arranged the equity financing for, and acquired an undivided 50% ownership interest in this property.

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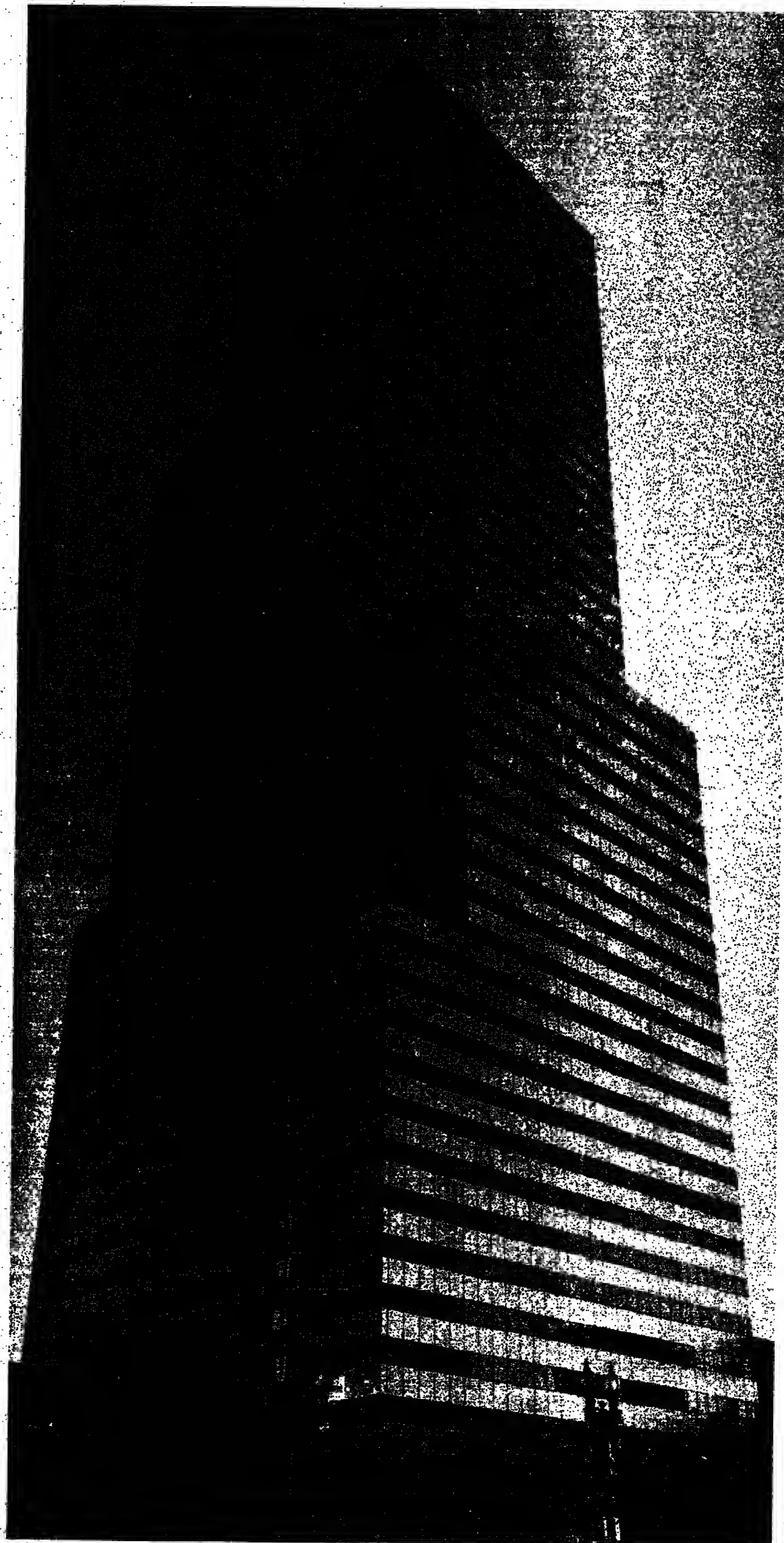
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NORTH CENTRAL TEXAS

Migration From U.S. Urban North Is Altering Traditional Texas Style

NOT LONG AGO, a Dallas company was considering a new advertising campaign built around the theme of Texas Pride, but when it began to investigate, it found that people in Dallas were unenthusiastic about the idea.

That startled the company and the advertising firm it had hired to conduct the research, but it should not have. As it is in many parts of the Southwest, life in the Dallas-Fort Worth area is being altered by the arrival of outsiders.

If America is still a melting pot, then its hottest points are in places like these, where native Texans are being influenced by, and in turn are influencing, newcomers from Mexico, Central America, South Asia and elsewhere.

One of the most important new influences is the "Yankees," those northerners who have moved South during the last decade or so. From religion to politics to cultural values, these Northern immigrants have begun to make lasting changes on cities like Dallas and Fort Worth.

Many of them have assumed leadership positions in local politics, neighborhood organizations, churches and the arts; and many of them are questioning the way Texans have traditionally done business. Their numbers are now large enough to make them a force when they choose to exert themselves.

During the decade of the 1970s, Dallas grew by roughly 25 percent, somewhat behind such Texas cities as Houston, El Paso and Austin, but still well above the national average. In that time, Dallas attracted many corporations from the North, everything from American Airlines to the Boy Scouts of America, which abandoned Brunswick, N.J., for a new development near the Dallas-Fort Worth regional airport.

These corporations brought more than economic stimulation to the area, they also brought people: hardened New Yorkers who had never been west of the Hudson River; Italians and Irish and others still rooted in the ethnicity of the cities of the Northeast and Midwest; young professionals who decided that their futures were in the growing parts of the country, not where they had grown up.

Many of them have taken up residence not in the cities of Dallas or Fort Worth, but in the mushrooming suburbs on the northern rim of the metropolitan area, places with names like Grapevine and Plano. At the beginning of the 1970s, Plano was a bucolic city of 17,372, still somewhat isolated from the Dallas-Fort Worth metropolitan area. Today it has more than 73,000 people, an increase of more than 300 percent, and to be a native Texan is to be something of a

minority. "We have few native Texans in our congregation," said the minister of one Protestant congregation in Plano.

As residents of newer subdivisions and the suburban cities that lie between Dallas and Fort Worth, these newcomers have begun to form political organizations somewhat unique to the area. Newcomers have had an impact on everything from the location of a proposed amusement park to the issues that have influenced the Dallas mayor's race.

The "natives" have reacted with some hostility to the arrival of the Yankee migrants, who have come in several waves. The first to come were the professional class — oil company executives, airline pilots, advertising executives and the like.

More recently came the "Black Tag People," unemployed auto and steel workers, carpenters and laborers. Many of them moved South from Michigan, and the black auto license plates that adorned their cars earned them the pejorative name Black Tag People. (So many people seemed to be coming from Michigan that one area of Dallas with a large northern migrant population was dubbed "Little Michigan," much the way Northern cities once had their Little Italy and their Chinatown.)

— DAN BALZ

Real Estate: The Long Boom Continues

By David Hurlbut

FIREWORKS and laser beams, thrust upward into a cloudless Texas night, hailed the beginning of what will be the tallest office tower in central Dallas. The show took place on St. Patrick's Day, and most of the big names in the city's financial circles were there to watch it from the penthouse club of a nearby building.

The flashy construction kickoff, the first step in an intense marketing campaign to attract prime tenants to the 70-story Main Center, received a lot of attention in high-rolling Dallas. And in a city where construction has continued to thrive as though there never was a recession, it takes something extraordinary to grab the public's attention.

Especially now, Dallas real estate is benefiting from the recession that has plagued the rest of the United States for the last two years. Big institutional investors, with pockets full of idle money to place in high-yield investments, cannot find real estate opportunities on the East Coast and the Midwest like they can in the Sunbelt. So, much of that money is migrating to Dallas.

But that is not to say Dallas is without its problems. "There's a lot of money chasing a few Class A projects," said Ron Witten, president of MPF Research Inc., a regional real estate consulting firm based in Dallas. And he said this has at times created potentially volatile, see-saw conditions for office developers, apartment builders and others in the business.

"Almost all sectors of the Dallas real estate market are subject to cycles of overbuilding, followed by a period of little construction, then shortage and then more overbuilding," Mr. Witten said. That's how things always work in a relatively unregulated market, he said, which is what Dallas is.

Currently, the area of critical concern is the frenzied apartment market. Mr. Witten said de-

mand on the part of renters has grown by an average of 8,000 apartments each year since the mid-1970s. In 1982, developers could only meet half that demand with what they brought onto the market.

The cramped occupancy and rising rents created a situation that was bad for renters, yet lucrative for investors looking for good income-producing properties. And it also attracted the attention of many savings and loan institutions, which at that time were just learning how to make real estate investments rather than home mortgages.

Late last year marked the start of a boom in apartment construction, the likes of which had never been seen before in Dallas. More than 22,000 new apartments will be finished some time this year, enough to take care of all the new demand for 1983, 1984 and most of 1985. And developers are still starting apartment construction at record pace.

"The market is going to be catastrophic for a lot of apartment developers. It's going to get soft literally in every part of the city," according to an executive with Dallas-based Lincoln Property, one of the largest apartment developers in the nation and the largest in Dallas.

Jack Crozier, president of Murray Financial, in Dallas, said the bulk of the construction now is being done by "second-tier players — people who don't have 15 years experience building apartments — and lenders new to the Dallas market."

Office development, too, has gone through a prolonged period of overbuilding, although, Mr. Witten said, commercial developers have been quick to respond to the situation. Dallas has 21.6 million square feet of office space under construction now, the equivalent of 14 buildings as big as the 70-story Main Center. Of all the cities in the United States, only Houston is building more office space.

Banking: Concern Rises Over Important Links With Energy Industries

By Dan Piller

DALLAS BANKS are sitting on what is either a gold mine or a time bomb, depending upon the point of view.

To the bankers, the oil industry to which they are heavy lenders — more than a quarter of their loans are to oil and gas drillers and refiners — has been the backbone of their existence. Energy loans have made Texas banks among the most profitable and fastest-growing in the United States, they say.

And indeed, from 1977 through last year, most of the big Dallas and Houston bank companies doubled their assets. Two of the 25 largest banks in the United States are in Dallas. In 1981, stocks of the biggest Texas banks were among the hottest on Wall Street, selling at nine times their earnings.

In the process, Dallas banks such as InterFirst Corp., Republic Bank Corp. and Mercantile Texas have expanded themselves into statewide holding companies that are poised to move beyond Texas' borders if the U.S. Congress lifts restrictions on interstate banking.

But since last year, naysayers led by Wall Street analysts have looked askance at the concentration of loans to the energy industry by Texas banks. The doubters say that falling oil prices are not a good sign for either the Texas oil and gas industry or their Texas bank lenders.

The anti-energy lending fever reached a peak late last summer after the Penn Square Bank in Oklahoma City failed. Penn Square put 80 percent of its loans into energy and sold many of them to big banks such as Chase Manhattan in New York, Continental Illinois in Chicago and Seattle-First in Washington.

Texas bankers, who already had seen their stocks fall by an average of 25 percent because of concern about the viability of energy loans, now had to fight off allegations that other big bank failures were in the works because of energy loans gone bad.

They argue that Texas is no longer as dependent on oil as previously. James Berry, chairman of RepublicBank, notes that energy accounts for just 15 percent of the Texas economy. "Agriculture, electronics, defense and transportation industries also play substantial roles in our economy," he said.

Ron Steinhart, president of InterFirst, said: "There is no question that our earnings will be down a bit this year because the energy industry is down. But we are not as dependent upon oil and gas as is generally perceived."

Mr. Steinhart said that Texas banks have outperformed the national average. In 1982, Texas banks returned an average of 1.17 percent on their assets, against a national average return on assets of 0.78 percent. "There's no doubt in my mind that we will continue that spread in the future," Mr. Steinhart said.

Also, as Charles Pistor, RepublicBank Dallas chief energy lender, said, "No big Texas banks were caught in Penn Square; it was other banks, with less knowledge and expertise, that were caught in the Penn Square problem." Mr. Pistor added: "Energy lending is high-risk, and it is complicated. And we feel that Texas banks have proved that they know not only where to lend, but where not to."

Nonetheless, analysts descended upon the Southwest after Penn Square to proclaim the dangers of excessive lending to the oil and gas industry, and made particularly ominous noises about the fact that energy loans comprised 25 percent or more of the portfolios of most of the biggest Texas banks.

So while Texas bankers had not been caught in the Penn Square downfall, they reaped the bitter whirlwind in its aftermath. For most of the rest of the year, Texas banks spent much of their time answering questions about energy lending and countering rumors about the next big bank demise.

Sandra Flannigan, an analyst of Rotan Mosle in Houston, said: "The real problem with oil prices now has been their instability. You need stable prices for good energy lending relationships." She said that most Texas banks have more

than doubled their reserves for loan losses since last year. "We'll see instances where loan repayments will have to be stretched out," she said. "This will be particularly true in the area of loans to drillers."

Frank Anderson, analyst for Rauscher Pierce Refsnes, a regional brokerage firm in Dallas, said, "The Texas banks can stand a drop in prices to about \$25 per barrel. Anything below that, and you've got some real trouble."

George Salem, an analyst with Prudential Bache who had led the bearish charge against the Texas banks because of concern about energy loans, still refuses to jump back on the Texas bank bandwagon. He said that the Texas banks were "beneficiaries of inflation" during the late 1970s, with rising oil and real estate prices. Downturns in those areas, he said, mean that the Texas banks will perform no better than banks nationwide.

Despite the criticism from analysts and the rumors, the Texas banks continued to post improved profits in 1982. The two largest banks in Dallas, InterFirst Bank and RepublicBank, have doubled their assets to more than \$11 billion during the last half-decade.

Not only have the banks grown, but they have spawned ever-growing statewide holding company structures. Airright state restrictions against branch banking (limiting a bank to just a single drive-in no more than a half-mile away from the main bank) in Texas have forced the big Dallas and Houston banks to go statewide via the holding company structure.

During 1982, InterFirst climbed from 17th place to 14th place in rankings of American financial institutions. Its \$21 billion in assets, held by 51 member banks, will rise by another \$2.4 billion this year and when the Federal Reserve approves its purchase of a Fort Worth bank company.

RepublicBank is out far behind, with assets of more than \$17 billion at 36 member institutions. Statewide, two-thirds of all deposits in Texas now are in banks owned by holding companies.

The big boom in Texas banks began in the late 1970s and continued through last year. Fallout from the boom has attracted most of the major money center banks, such as Bank of America, Manufacturers Hanover, Citibank and Continental Illinois, to Dallas with loan production offices.

The lucrative market of wealthy individuals is also being tapped. In 1981, Brown Brothers Harriman & Co., the nation's largest and oldest private bank, opened an office in Dallas.

In January, CenterBank was opened in central Dallas. Organized by two private investors, CenterBank advertises itself as the bank for the high-rollers.

"CenterBank is not for everyone," its brochures proclaim. CenterBank chairman, C.O. (Bud) Horn says that the bank is aimed at customers with annual incomes of at least \$75,000 and net worth of at least \$500,000. Mr. Horn reported that, during the first month of operation, CenterBank's lowest individual deposit was \$30,000.

To reflect the upscale tone of the bank, "tellers" work in mahogany cubicles to afford customers privacy. Depositors can be served lunch on fine china.

Like other Texas banks, CenterBank will issue its depositors an automated teller machine card. But they will have to use it somewhere else, for CenterBank management decided to not put an unsightly teller machine in its felt-and-mahogany lobby.

Minority ownership has begun to appear in Dallas banks as well. Charlie Pride, the country singer and a Dallas resident, is a major stockholder in the \$40-million First Texas Bank.

The Pan American National Bank is majority-owned by a Hispanic consortium headed by the architect Pedro Aguirre. The \$38-million bank has more than doubled its profits since 1979, largely because of the policy of large local corporations to direct some of their local deposits into minority-owned banks.

Fast Growth of Suburbs Compounds Regional Transportation Problems

By Anna Bennett

CAN THE traffic jam on Dallas North Central Expressway convince J.R. Ewing to step out of his Mercedes and go to a sleek rapid rail transit system?

This is a question facing all Dallas-Fort Worth area residents who are finding that traffic is determining where they can go and when they can get there.

The story behind this transportation nightmare is population migration from other states. Net migration to Texas grew from a yearly average of 21,000 during the 1960s to 247,000 during the late 1970s. The tide of migration ebbed to 202,000 yearly in 1980-1982, reflecting the recessionary trends in business relocations and unemployment.

Census figures show that during the 1970s the city of Dallas grew by 7 percent while the surrounding communities grew by 58 percent.

One community grew by more than 300 percent.

The lack of any type of area-wide transit system compounds the traffic problem. A 1980 census survey found that only 3.6 percent of the working people in the North-Central Texas metropolitan area were using public transportation to get to work.

"Cities like Dallas and Houston were designed to accommodate the automobile," said Marjorie Wood of the Houston Transit Authority, "whereas cities on the East Coast grew up with public transit systems. This is a fairly different concept from what people here have been accustomed to."

A Dallas resident who said that he grew up with public transportation in Europe expressed his concern for passage of a transit authority in Dallas because of "a love affair the people of Dallas are having with their automobiles." People in the Dallas-Fort Worth area

think that "bus, trolley, subway... it's a dirty word," he said.

Texasans are finding out that their automobiles can no longer be depended upon exclusively to meet their transportation needs. Albert Engelken of the American Public Transit Association said, "Now is the time for the Southwest to make a move; transit must be learned."

In 1980, an attempt to create a permanent metropolitan transit authority failed, partly because of an ineffective publicity campaign and the lack of community involvement.

A new effort to create a transit authority is stressing public involvement in the planning process and making sure that citizens are informed about public transportation. The cost of this "public education" could run as high as \$475,000, according to the Transportation Task Force chairman, Philip Montgomery.

The Transportation Task Force is the campaign organization working to promote the passage of a referendum on Aug. 13 that would create a permanent transportation authority and the 1-percent sales tax to fund it.

The task force has hired the public relations firm of Hill & Knowlton to complete the information process with a slide presentation and an eight-page tabloid. Hill & Knowlton also organized the series of 34 public meetings scheduled throughout the area.

At these meetings, officials are presenting three transit plan alternatives and soliciting public response. All three service plans combine some form of rail transit with a greatly expanded bus system. These plans represent trade-offs in cost, speed and distance associated with rapid and light rail systems.

One plan calls for heavy rapid

rail equipment on tracks that would not intersect with any kind of pedestrian or vehicular traffic. This plan would produce a system similar to METRO in Washington and BART in San Francisco.

The two light rail (trolley) alternatives differ only in the type of right-of-way used. One plan would have more "semi-exclusive" rights-of-way than the other, meaning that the plan would use more existing rail lines that cross traffic intersections. The use of existing rail lines reduces the number of separated intersections to be constructed, thus reducing construction costs and allowing for more initial transit lines to be built. Cities with similar rail systems are Calgary in Canada, Zurich and San Diego.

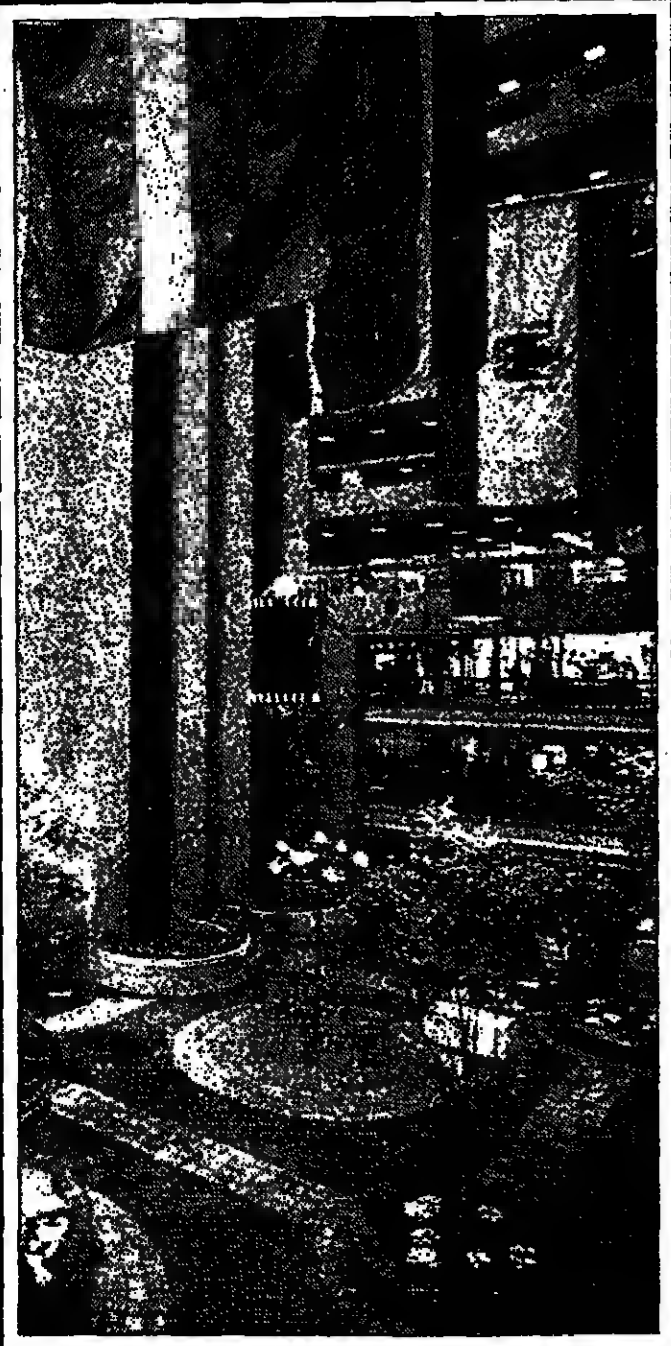
The most vocal opposition to the transit proposals is coming from a group of neighborhood activists. They feel that they are being asked to approve the creation and fund-

ing of a transit authority that will have the power to draw transit lines through their neighborhoods. Some feel that their quality of life will suffer in order to help people in the suburbs get to work. How potent a force these neighborhood groups actually are is still uncertain.

A serious problem facing Dallas or any other city trying to institute mass transit at this time is funding. The Reagan administration's policy has been that no federal transportation funds are to be used for new rail starts. These funds have been available only for operation and maintenance costs.

One cent of the recently passed five-cent-per-gallon federal gasoline tax has been designated for mass transit projects. Indications from the administration are that money from this transit fund will be available for certain new rail starts. Cities are already lining up for consideration for this funding.

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NORTH CENTRAL TEXAS

Region's \$20-Billion Retail Market Spurs Boom in Big Shopping Malls

By Candace Talmadge

YOU CAN BUY just about anything you want in the Dallas-Fort Worth area these days. A \$50,000 automobile for your wife, a 75-cent bag of ham-and-egg flavored popcorn, half a dozen freshly baked croissants for \$4.75. Snackin' cowboy boots at \$200 a pair, or a blouse from an avant garde designer for the same price.

Thriving, volatile and competitive, the \$20 billion plus Dallas-Fort Worth retail market has attracted merchants from around the world. Since 1959, more than 21 major shopping malls have been built in this metropolitan area; three more are under construction. Long known for merchandise extraordinary, Neiman-Marcus, Dallas now also hosts luxury stores like Saks Fifth Avenue, Lord & Taylor, Marshall Field's and Saks. It also boasts a host of smaller specialty shops that cater to the area's ever fashion-conscious elite.

And they keep coming. Bloomingdale's will set up its first Dallas store this fall. That's when Merlyn's, a California-based discount soft-goods retailer and one of the most profitable chains in the United States, will open up five local stores.

There is a lot of money in these parts and people like to flaunt it. Statistics from 1982 show the typical Dallas-Fort Worth resident, earning an average of \$12,500, had an individual personal income about 13 percent higher than the U.S. average and a 10 percent lower cost of living, according to Texas Commerce Bank economist Carol Bennett. Retail sales per Texan are, on average, 20 percent higher than those of the nine other largest U.S. states.

Between 1972 and 1982, local re-

tail sales rose 14.1 percent compounded annually, while sales nationally went up merely 9.1 percent, Ms. Bennett said. Although these numbers are not adjusted for inflation, they still reflect the far greater local growth rate.

Even though the recession finally managed to inhibit the local market, preliminary figures show that Dallas-Fort Worth sales rose 9.1 percent last year while sales nationally were up 2.8 percent, flat or down when adjusted for retail inflation of between 2.5 percent and 3 percent.

On the whole, Dallas-Fort Worth "is a good place to do business" for retailers, Ms. Bennett said. However, there now is trouble, at least for the merchants if not for their customers. It seems retailers all reached the same conclusion at the same time, and now some of them are admitting publicly that the market is "over-stored."

Bruce Lipsey, president of Dallas-based jewelry retailer Zale Corp., complained of "market saturation and over-stored markets" at the Dallas Chamber of Commerce's recent annual economic outlook conference.

"You've got more retailers than customers who go to them," said Fred Word, controller of M.E. Moses Co., a variety store chain based in Dallas. He pointed out that local retail selling space has outstripped population growth for the last 20 years.

The problem is particularly acute in North Dallas. According to the North Dallas Chamber of Commerce, 71 percent of all new shopping center construction in Dallas and Fort Worth is taking place in this area, which begins roughly 10 miles (16 kilometers) north of central Dallas.

Within a 1.5-mile (2.5-kilometer) radius along the traffic-clogged

North Dallas Parkway, there are now the five luxury stores mentioned above, and soon will be six when Bloomingdale's opens. That immediate area also has two middle-line department stores, Dallas-based Sanger Harris and Dillard's, plus the 4-million-square-foot (372,000-square-meter) Galleria shopping center and office complex.

The Galleria, developed by the same builder who has made the Houston Galleria famous nationwide and even abroad, offers hundreds of smaller specialty stores, like San Francisco gift merchandise Gump's and Dans Un Jardin, custom perfume retailer from Paris.

The fact that sales finally felt the pinch of recession in 1982 also has not helped the North Dallas situation. But many merchants, like Sanger Harris chairman Jack Miller, maintain that the store glut is temporary and that the area will develop into a regional shopping center.

A decade ago, Dallas and Fort Worth underwent an expansion in traditional, low-end mass merchandisers: Sears, J.C. Penney, Ward's. In the last few years, both cities, but Dallas especially, have seen explosive growth in high-end specialty retailing. New stores devoted exclusively to clothing, personal computers or housewares are springing up and thriving because of increasingly sophisticated customers.

For the immediate future, the off-price operations appear to be moving in and they have other retailers worried. This brand of merchandising philosophy was best described by one executive from Marshall's, a successful national off-price chain: "My customers don't want cheap steak; they want steak, cheap."



A giant effigy of a cowboy looms over the Texas State Fairground in Dallas.

Competition Enlivens Local Press

Papers Spend Freely in War for Readers, Advertisers

VIEWS OF THE early-morning "Good Morning America" television program recently tumbled out of bed to find executives from the two Dallas newspapers discussing the merits of their respective publications.

Not long ago, The Dallas Morning News and Dallas Times Herald, both of them nondescript and parochial, were about as likely to get national television exposure as they were to send their own reporters halfway around the world to cover international news.

But these days, the Dallas papers are setting up bureaus in places such as the Middle East and Mexico City. And vast improvements at both newspapers have sparked perhaps the nation's most spirited newspaper war, a free-spending competitive flurry that has brought both papers from parochial journalistic backwaters to the ranks of the nation's better newspapers.

When American newspapers find themselves making national news it is usually for one of two reasons, neither of them good. Either they folded, a fate that has befallen such major papers as The Washington Star, The Philadelphia Bulletin and Cleveland Press in the last few years, or they are hovering on the brink hoping for a savior, as happened at recently rescued papers such as the Boston Herald-American or the New York Daily News.

In a few cities, such as Detroit, papers have been locked in a grim battle for survival in a market able to support only one. But Dallas has emerged as the most conspicuous throwback to an earlier journalistic era when powerful papers in growing markets could engage in cut-throat competition for readers and advertising dollars in an attempt to gain dominance.

"These papers are able to spend a lot more because they earn a lot more," said Dallas Times Herald columnist Jim Schutte, a former Detroit Free Press reporter. "It's a lot less frightening here than a situation where the newspapers are playing Russian roulette to see who can avoid outliving the other one to the grave."

Instead of worrying about an early grave, both Dallas papers have embarked on massive expansions. They've opened bureaus in places as prosaic as Lubbock, El Paso and Tyler, Texas, as adventures as Central America and the Middle East and as perplexing as Canada (both papers opened bureaus in Toronto, but have since left them unstaffed). They have added enough new staffers that personnel costs at the Morning News rose 17 percent from the first quarter of 1982 and each paper has introduced a maze of special new sections on fashion, food and society to appeal to affluent readers.

And they have tried to hire away each other's star writers, sniped away at each other's advertising and circulation claims and generally battled with an intensity almost extinct in a nation with little more than a half dozen truly competitive newspaper markets.

The idea is that if the market eventually stops growing, the paper that establishes a lead now could be the one that survives later.

The Dallas newspapers are not the only successful media operations in the Dallas-Fort Worth area, the nation's ninth largest and one of its most lucrative markets. The area led the nation in total retail sales growth between 1977 and 1981 and vied with Houston for the overall economic growth leadership.

Beside the Dallas newspapers, the local ABC television affiliate, WFAA, is rated as one of the nation's best local news operations. And the Fort Worth Star-Telegram, which competes in some suburban areas with the Dallas papers, is one of Texas' better newspapers.

The roots of the newspaper competition in Dallas go back to 1970 when the Times Mirror Co. of Los Angeles, publisher of the Los Angeles Times, bought the Times Herald. At the time, the Herald was an undistinguished evening paper specializing in crime reporting.

But before long, Times Mirror began importing staffers from around the country, started a morning edition to compete with the Morning News and began attracting an increasing number of young, affluent readers to rival the News' lock on the more established readership.

The News, then a relatively small, privately held company was slow to respond. But since 1980, the News has hired Burt Osborne as editor, who had been managing editor of The Associated Press, its parent company, the A.H. Belo Corp. has gone public, and the paper has improved in almost every area from sports to fashion to Washington coverage with a speed

that has obviously surprised people at the Times Herald.

It now has a circulation lead of 48,000 daily and 34,000 Sunday copies, the former its biggest advantage ever, the latter its biggest in 17 years. It also now has 53.6 percent of the total full-run advertising image and ranks third nationally in total full-run advertising image. For now, there is clearly plenty of business to keep both papers fat and happy, and both are reporting record circulation gains. And it seems a little odd to see either paper as vulnerable over the long term in a market where both ad-rich papers on Sunday attain the size of lethal weapons.

But the history of American newspapers has been that when cities stop growing, one newspaper becomes the clear leader and usually the only survivor. It is clear that neither paper is going to be in trouble any time soon, but both are assuming the time to gain dominance is now.

"We have an awfully strong economy in Dallas and that should keep both papers healthy for a long period of time, possibly forever," said Jeremy Halbreich, senior vice president for marketing at the Morning News. "But if you look elsewhere, the papers that didn't survive were the ones that made mistakes the other paper could take advantage of. We don't want to be the paper where that happens." The vast resources of the Times Mirror Co. give the Herald enormous staying power, but media analysts seem increasingly impressed with the Morning News' circulation and advertising boom.

— PETER APPLEBOME

Weathering Recession: Urban Corridor Scores Ahead of Rest of State

THE KEY PIECE of economic news about Texas during one of the longest, toughest recessions in the post-World War II period was that the state finally had "joined the union."

Bernard L. Weinstein, an economist, has called 1982 a "watershed year" in which it became "painfully obvious that Texas... no longer was insulated from the vicissitudes of the national business cycle."

Stark evidence of this is the fact that Texas last year posted the sharpest relative increase in unemployment rate of the nation's 10 largest states, in 8.2 percent from 5.6 percent, or more than 46 percent. The chief reason was the national recession, a severe depression in the oil patch and several Mexican peso devaluations, which sent businesses along the border reeling and unemployment in cities like Laredo climbing to as high as 25 percent.

Parts of the Lone Star State, however, are young enough in their development and in the diversification of their industrial bases to be far less dependent on Texas' troubled agribusiness or its bellwether oil and gas industry.

One of the most vivid examples of this is North Texas, anchored by the vibrant Dallas-Fort Worth metropolitan area. The state's "cotton-cattle-and-oil" image has all but left such regions untouched. Mr. Weinstein expects north central Texas and the Interstate-35 corridor between Dallas-Fort Worth and San Antonio to "recover smartly" from the recession this year, but he sees the heavily industrialized Gulf Coast and the oil patch as remaining in the doldrums throughout the year and possibly into 1984.

In short, a broad-based economy in which it has hedged its bets and has not put all its industrial "eggs" in one basket — it is unlike Houston, often called "Energy City," or Detroit, heavily dependent on the auto business — has enabled Dallas-Fort Worth to be hurt less much of the rest of Texas. Joblessness in the Dallas-Fort Worth "metropolitan" rose 33 percent last year, much less than it did statewide or in highly energy-petrochemical dependent areas such as Beaumont-Port Arthur-Orange, where the unemployment rate soared 141 percent, Houston (up 108 percent) or Odessa, in West Texas (up 73 percent).

Dallas-Fort Worth's jobless rate

lately has stayed around three percentage points below the state-wide average and it was the only metropolitan area in the state that recorded a gain in employment last year.

North Texas' role as an economic trend-bucker is rooted in the fact that it contains a diverse mix of businesses, predominantly white-collar, that ranges from oil and gas and Fortune 500 companies like Texas Instruments, LTV Corp., Oresser Industries and Tandy to aerospace and defense, finance and insurance. The area is part of the "Texas Triangle," a region bounded by Dallas-Fort Worth, San Antonio and Houston, which includes numerous high-technology manufacturing centers.

Referring to this slice of Texas containing more than 60 percent of the state's population and festooned with new office buildings, industrial parks and shopping malls, one pundit has opined: "The Texas Triangle is truly a snapshot of America's future."

This area rightfully can claim a stack of Texas brag. Lately, more than 1,000 people per week have been moving into Dallas, which, along with Houston, has led the nation in both total construction and home-building activity. New office construction in Dallas-Fort Worth last year amounted to 21 million square feet, including about 9 million square feet of new office space in downtown Dallas alone.

The Metroplex recently also has topped the nation in bank-deposit growth (14 percent a year since 1975, to around \$26 billion). It's a major financial center, with the two biggest banks in the South and Southwest, InterFirst and Republic Bank, both of Dallas, in total domestic and foreign deposits; its 260 insurance companies manage the nation's fourth largest concentration of insurance assets (upward of \$10 billion).

Some urbanologists still marvel at how Dallas has come to be America's seventh largest city (population, 1 million), with no natural resources — there is nary an oil well in Dallas County — and without being located on a navigable river. John Stemmons Jr., a real estate developer and a patriarch of Dallas' business community, likes to feel it all has stemmed from gutsy leadership and civic volunteerism, from a traditionally Texan independent, can-do spirit.

— WILLIAM G. SMITH

Fort Worth Nightlife Stays Western; Dallas Merges Variety of Lifestyles

By Peter Applebome

WHEN DAVID Gomez and John Leek recently decided to open Ground Zero, a Dallas "nuclear nightclub" decorated with old civil defense posters and pictures of atomic bombs exploding, they were sure of one thing: It had to give Armageddon a classy look.

"We saw a market for a well-groomed, clean-cut, new-wave place," said Mr. Gomez, a 27-year-old University of Texas philosophy graduate. "We definitely didn't want the punk stigma. This is just like what a new-wave club would be in Dallas. It had to be a little slick."

Despite whatever image is portrayed on television's "Dallas," Dallas' nightlife has more to do with slick young entrepreneurs like Mr. Gomez and Mr. Leek looking for a way to make nuclear war chic than with the more stereotyped elements of Texas.

"People come to Dallas thinking every bar has Willie Nelson or something like that," said Judy Meyers, senior vice president of

McFaddin/Kendrick, a Houston-based firm that owns 15 clubs nationwide, including two of the most popular in Dallas. "Now that the urbane cowboy craze is gone, there just isn't very much of that sort of thing."

Dallas nightlife still has its share of twangy guitars, couples dancing the two-step and other staples of "Texans." The Longhorn Ballroom near the ragged edges of central Dallas is a barnlike building specializing in country dance bands. Diamond Jim's, a country discotheque featuring sprightly recorded country music, is one of the few survivors of the peak of Texas chic two years ago.

The place to look for more spirited Texana is Fort Worth, Dallas' neighbor 33 miles to the west. Perhaps the best-known Texas nightclub after Gile's near Houston, the club John Travolta and Debra Winger frequented in the film "Urban Cowboy," is Billy Bob's Texas. Covering three acres of land near Fort Worth's stockyards area, it features activities ranging from bull-riding to boxing

matches to top quality country music and has three different in-house restaurants.

Also popular in the stockyards area, the revitalized focus of the cattle business that used to be Fort Worth's major industry, is the White Elephant Saloon. Named for the saloon that hosted Fort Worth's most notorious night in 1887, it features country music and old-time Western décor in a less hectic environment.

Conventions and visitors to Dallas staying at central hotels must wonder how the city ever got a reputation as a relatively lively city. Despite the presence of many of the city's nicest hotels, central Dallas becomes a ghost town after the office buildings empty out at 6. Visitors interested in spending some nights on the town would be advised to rent a car.

There are assorted entertainment strips and collections of night spots around town. But the most concentrated string of clubs and restaurants are concentrated along Greenville Avenue, a 3.3-mile-long neon strip that snakes north from the edges of downtown.

Greenville Avenue is sometimes stereotyped as a one-dimensional string of singles bars and hustle joints, but in truth there is a good deal more variety.

The area includes spots featuring contemporary music or nightly comedy acts, food ranging from barbecue to Thai, clubs ranging from old-line beer joints to jazz bars. You can start your evening by going to the theater and end it at a place called the Tub Club, where hot tubs rent by the hour.

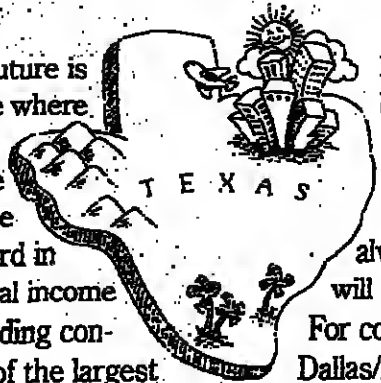
But clearly the most competitive aspect of Dallas nightlife is the bewildering array of trendy clubs catering to the young singles crowd in a city with a large population influx and the highest divorce rate in the United States.

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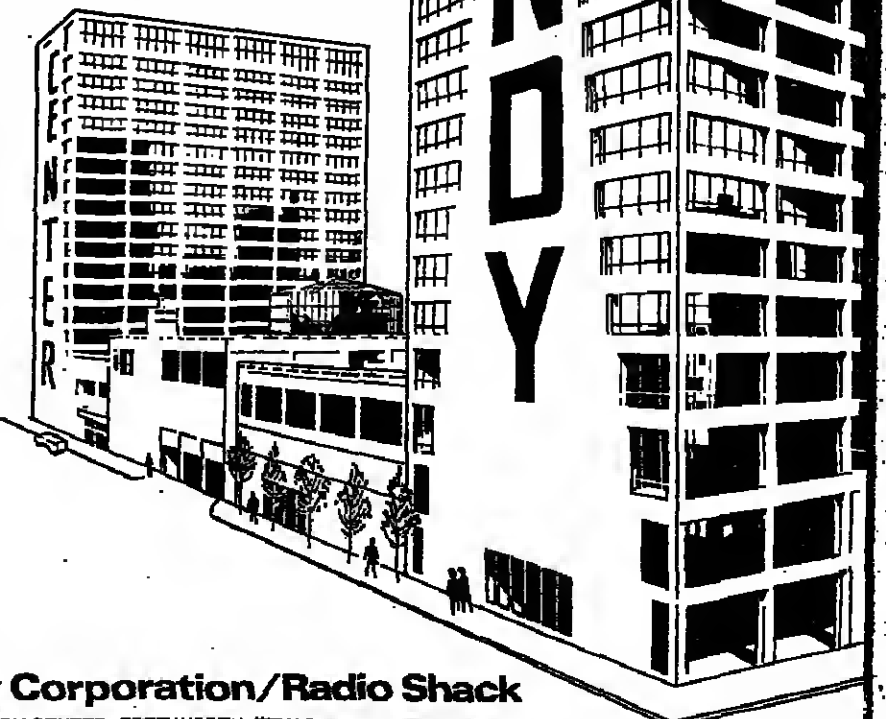
Radio Shack has experienced rapid growth. From 700 stores when the company relocated to Fort Worth in 1970 to 8,800 worldwide locations today.

Fort Worth has played a big part in that growth.

The community is pro-business. City and state income taxes, both corporate and personal, are non-existent. Cultural and recreational facilities attract a skilled and dedicated workforce.

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SCIENCE

How Computers Can 'Whisper' Their Secrets

By William J. Broad

NEW YORK — Computers, it turns out, will whisper their secrets in anyone sophisticated enough to hear them. Every computer constantly emits radio waves whenever it runs. These radio waves can be decoded with equipment designed for electronic espionage.

The signals — transmitted by everything from word processors to IBM mainframe computers — come off screens, chassis, wiring, power lines and numerous other sources.

Technology now exists in transition what seems like static and learn the precise pattern that gave rise to it. As a result, the ominous potential has developed for a whole new field of espionage.

Is such technology being used by spies? Every one of dozens of people interviewed was leery of giving a direct answer. But almost all attested to the ease with which such espionage could be done.

One engineer familiar with national security matters said: "Interception is going on all the time. There are people who devote their working energy to trying to find out how to do this — not only with the enemy but with friendly nations."

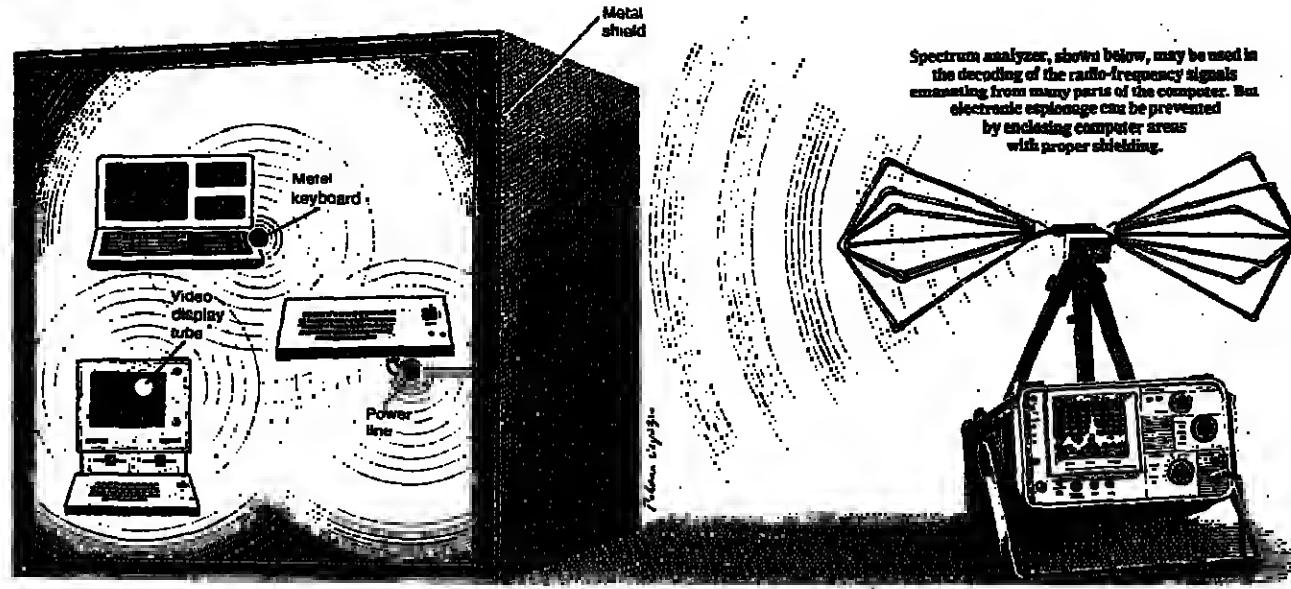
Such espionage, distinct from computer crime in which a computer itself is manipulated to capture information, is so difficult to prevent that it has spawned a multimillion-dollar industry dedicated in finding ways to shield U.S. government computers. "You've always felt confident with Wang," reads an advertisement in a military magazine. "Now you can feel safe."

At the Los Alamos National Laboratory, birthplace of the atomic bomb, scientists first learned of the threat several years ago. On orders from Washington, they took unusual steps to keep military secrets under wraps.

In buildings scattered across the laboratory's 43 square miles (112 square kilometers) in the mountains of New Mexico, dozens of engineers and electricians began tinkering with computer facilities in an attempt to foil agents laden with sophisticated gear.

Shielding a single computer is relatively simple. To block the radio waves at Los Alamos, engineers lined with copper the rooms that contained large computers. In other high-security areas they covered small, isolated computers with thin metal plates.

But the threat may be nearly impossible to frustrate all the time and everywhere. First, there is the



explosion in government computer use. Second, the protection of computers is complicated by several features of the computer revolution, such as the increasing frequency of computer signals, requiring more refined shielding. Finally, the tools used by spies to pick up and decode signals are becoming better and more widely available.

For reasons that are obscure, this type of electronic espionage is known as "Tempest."

"Even though the electromagnetic environment is getting more complex, you are getting better and better equipment to make intelligence out of it," said a computer security expert at the U.S. Army's Material Development and Readiness Command. "The Department of Defense believes the Tempest problem is increasing."

SOME experts believe Tempest may one day confront the business world. Philip C. Thomas, head of security systems at Wang Laboratories, says the government has discussed setting standards for reducing computer emissions "in places that deal with sensitive information, such as banks, stock exchanges, and commodity markets."

Though elements of Tempest are known among government workers and industry employees, the National Security Agency, which orchestrates the U.S. government's public response, tries to say as little as possible about it. "Tempest," said an agency official, "is an unclassified short name referring to investigations and studies of compromising emanations." He brushed all other questions aside.

In particular, the agency will not address whether the U.S. government intercepts signals from computers in other nations.

The range over which a computer's signals can be picked up depends on the level of "electronic pollution" in the area, but "500 feet is not unreasonable," said Anthony Genova, head of radiation testing at Chomerics of Woburn, Massachusetts, which manufactures products to block radio-frequency emissions and tests computers for leakage.

Digital switching in a computer causes radio signals to emanate in all directions, even back into the power line. More than 100 yards away, special antennas can pick up a computer's radio waves. Signals are then separated from static.

"It's done in the same way they reconstruct photographic images from planetary probes," said Robert H. Courtney, a computer security consultant in Kingston, New York, who previously worked for the National Security Agency and as director of data security for IBM.

Tempest requires sophisticated tools. J. Michael Nye, a computer consultant in Hagerstown, Maryland, who has written one of the few books that mentions Tempest, said such electronic snooping is most easily performed by those with "access to a limitless pool of technical and financial resources, as may be available to a major government."

Because of the expense, Tempest is sometimes used to snatch just enough text to aid in the breaking of codes rather than to capture long messages. This threat has im-

plications for the business world, which increasingly looks to ciphers to protect corporate communications.

Tempest is almost three decades old, but only in the past few years has its defensive side become an urgent issue in government. Just what touched off the concern is shrouded in secrecy. By 1977, the worries were codified in P.D. 24, a classified Presidential Directive that spelled out measures to stem the threat.

That same year, the National Security Agency launched its "industrial" Tempest program, encouraging computer makers to build special computers with built-in shields. This was meant to eliminate the expensive government

habit of buying specially modified computers. Custom modifications can triple the price of a word processor, whereas assembly-line modifications are relatively cheap. Vdec now makes a Tempest-proof word processor that costs \$14,000 compared to the standard model's \$13,000.

THE security agency tests the computers for leakage. The limits are secret, but are reported by the industry to be about 1,000 times tighter than Federal Communications Commission limits for devices such as computer games that hook up to television sets.

Defense contractors and myriad government agencies buy the equipment. "The FBI has a very aggressive program to insure that any electromagnetic equipment we use to process classified or sensitive information is in accordance with Tempest criteria," said William Kardash, a special agent at the bureau's Washington headquarters.

At large computer facilities, the standard method of protecting equipment is to cover the insides of rooms with metal. Some companies, such as the Keene Corp. in Norwalk, Connecticut, make prefabricated metal rooms that cost from several thousand dollars up to several million.

New limits on electronic pollution set by the FCC are curbing emanations from computers. However, the reductions are apparently not enough to abolish the threat of electronic espionage. "The FCC rules make sure a computer will not interfere with a local TV set," said Kendall Childers, senior scientist at Chomerics. "But if someone out there with sensitive equipment and directional antennas tried to get the signal, he could."

Although many engineers, computer consultants, and members of the military say the Tempest problem is a very real factor in the struggle for national security, others say the threat is minimal. "NSA is sinking millions into this. James Bond kind of stuff while every two-bit clerk is ripping them off in untested ways, such as walking out with a document," said Mr. Courtney, who used to work for the agency.

5-Year Eclipse Of Pluto, Moon
TUCSON, Arizona — A rare five-year eclipse of Pluto and its moon that is expected to begin this winter could provide new information that would allow scientists to map the surfaces of both bodies and give some insights into their origins, astronomers say.

Dr. James Christy predicted the eclipse at a news conference Tuesday with Dr. Clyde W. Tombaugh, 77, who confirmed the existence of the ninth planet in 1930. Dr. Christy discovered Pluto's moon in 1978. He said such an eclipse probably happens every 124 years.

Both scientists said little was known about Pluto and its moon.

The Bone Shrinkage Problem

By Sandy Rovner
Washington Post Service

IT'S BEEN called the disease of little old ladies. Actually, it's the one that causes little old ladies. Osteoporosis, the progressive degeneration of bone mass, affects about one out of every four (mostly white) women over the age of 60. More than 3 million American women have it, and it is believed to be a major factor in virtually all of the 200,000 broken hips U.S. women suffer every year.

Because complications will cause the deaths of nearly 40,000 of those suffering hip fractures, osteoporosis is the 12th leading cause of death in the United States.

Yet, according to Dr. Morris Notelovitz, it is a "silent epidemic," because "people do not have symptoms until such time as they actually have a fracture. Then it is often too late to do anything constructive about it."

Even more common than broken hips, Dr. Notelovitz believes, are spontaneous fractures of the vertebrae of the spine, which cause a loss of height in older women as the spine quite literally collapses on itself. Eventually it results in the so-called "dowager's hump."

"It is very difficult to define these in terms of numbers," Dr. Notelovitz said, "because unfortunately we have been led to believe or to accept the concept of the little-old-lady syndrome — and that the bent-over lady with the bump is just a part of normal aging. Indeed, it is not."

Dr. Notelovitz is a gynecologist who is trying to make the study of the middle years in men and women a specialty.

With Martha Ward, he has written a book on osteoporosis — "Stand Tall! The Information Woman's Guide to Preventing Osteoporosis," published by Triad. Most of the royalties will be donated to the research and scholarship fund of the Center for Climacteric Studies at the University of Florida, the book states. Dr. Notelovitz is director of the center, which specializes in the study, treatment and prevention — especially prevention — of disorders that occur or begin in the middle years.

PREVENTION of osteoporosis should begin in young womanhood, Dr. Notelovitz and most other specialists in the field are beginning to believe. Too little calcium intake appears to be one predictor of degenerative bone disease later on. After menopause, a lack of estrogen is a major factor.

"It is useful to start early" in osteoporosis prevention, says Dr. G. Donald Whedon, former director of what is now the National Institute of Arthritis, Diabetes, Digestive and Kidney Diseases. "Both men and women should pack in the milk in their growing stages and should pay attention to getting adequate calcium right through their 30s and 40s."

Almost all researchers agree that the currently recommended daily allowance of 800 milligrams of calcium is too low. But just how much higher it should be at any given age has not been thoroughly established. Most agree that it should be

1,200 to 1,500 milligrams (about one and a half quarts of milk or three cans of sardines).

Dr. Notelovitz said a few men get osteoporosis but they are a small minority and tend to be considerably older than their female counterparts. The male hormone testosterone seems to protect the bone mass in men and, because there is no male equivalent to menopause, continues to protect well into old age.

Also, Dr. Notelovitz pointed out, men have more bone mass, "weigh more and have larger muscles so that throughout life they are placing greater stress on their bones, which has positive effects on their bone mass." He conceded, though, that "we know relatively little about the condition in men."

Dr. A. Michael Parfitt, of the Henry Ford Hospital in Detroit, believes that the "single most important causative agent in osteoporosis is estrogen deficiency." However, he agrees with many of his

colleagues that it is too soon to recommend that all women take estrogen supplements. Rather, they believe, researchers should try to identify the women at greatest risk.

- Women with a family history of osteoporotic fractures.
- Women who have had a wrist fracture — a common early manifestation of osteoporosis.
- Women with a low measurement of bone mass.

Because estrogen-replacement therapy has been linked to certain cancers, the decision to use it must be weighed carefully. Dr. Notelovitz feels strongly that younger women who have had hysterectomies in which their ovaries have been removed should receive estrogen therapy.

Other, more easily correctable factors that appear to contribute to the syndrome are lack of exercise, smoking, and diets containing too much protein, especially from meats — although there are some conflicting studies on the last.

CURRENTS

An Answer for Diabetes Puzzle

ANN ARBOR, Michigan — Diabetes is a leading cause of blindness, its victims develop circulation problems and often lose toes. They have considerably shorter lives and are susceptible to kidney problems, heart attacks and strokes. Women with diabetes have more trouble carrying babies, and men may be impotent.

These debilitating effects pose a question: Since the tendency to diabetes is usually inherited, how does the disease continue to survive in the population? Logically, it should be weeding out its victims that eventually the tendency is no longer passed to succeeding generations.

An answer has been proposed by Dr. James V. Neel of the University of Michigan Medical School, who has studied diabetes since the early 1960s. He argues that diabetes was a "thrifty" trait, providing better storage and metabolism of food when humans were living under difficult conditions. Only as food supplies became plentiful did the negative aspects of the diabetic trait appear, Neel suggests.

Diabetes occurs when the body produces insufficient insulin, the hormone produced in the pancreas that helps break down sugar. "Insulin" makes sugar's constituents available to the cells," said Neel. "When the body's insulin levels are low, the blood becomes overloaded with sugar while the cells starve for nourishment."

But low insulin production, he said, may have been an advantage in primitive hunting societies. "When meals were large and irregular, the body might have carried sugar in the blood much longer and used it more slowly."

Studies show that certain groups of Polynesians and American Indians, accustomed to infrequent meals develop high rates of obesity-associated diabetes when provided with a steady diet.

There's Life Way Down There

I THACA, New York — There is life 25 feet underground, William J. Glorioso, a Cornell University microbiologist, has found bacteria growing down there. Aside from being the deepest known form of life, Glorioso said, the bacteria may degrade industrial pollutants, thereby cleansing groundwater.

Humans Sniff Out Opposite Sex

PHILADELPHIA — Dogs, cats and other animals can recognize their friends and kin by smell alone. Recent studies show that people have similar abilities.

In an experiment at the University of Pennsylvania, 33 male and female college students walked into glass tubes passing through a screen, judges on the other side guessed the sex of the person by smell. The majority were accurate most of the time. Several female judges were correct on 95 percent of the tests, and females were particularly good at picking out men's breath.

In a separate study involving 12 pairs of siblings, Richard Porter, a psychologist at Vanderbilt University in Nashville, Tennessee, had each child wear a T-shirt to bed three nights in a row. He placed the shirts in separate cardboard boxes with a small opening in their lids. When presented with two shirts, 19 of the 24 children identified by smell the T-shirt worn by a brother or sister. But mother nose best: In all but one case, mothers separated their children's clothing from that worn by other children.

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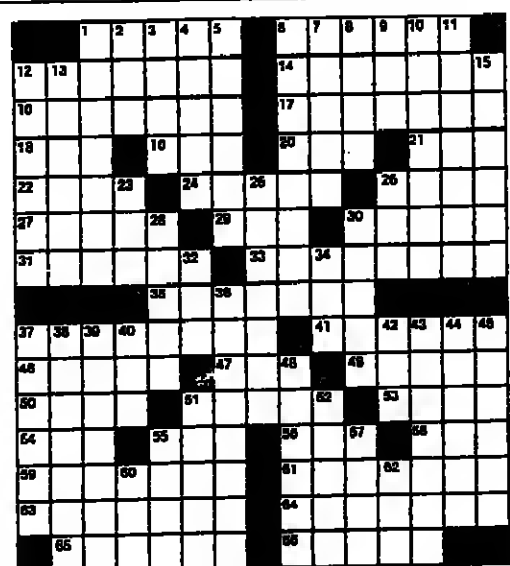
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Wednesday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month	High	Low	Stock Div.	Yld.	P/E	100s	High	Low	Close	Price
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CROSSWORD



- ACROSS**
- 13th V.P.
 - 32nd V.P.
 - Russian
 - Ethiopian
 - Back of the skull
 - "I'll be there"
 - Barnyard sound
 - Poetic palindrome
 - Bridge
 - builder's deg.
 - U.N. workers' agency
 - Capital of Western Samoa
 - Other-worldly
 - Arthurian lady
 - Tropical aquarium fish
 - She wrote "Delta of Venus"
 - Play part
 - Central
 - Caucasian
 - Paints the town claret
 - 35th V.P.
 - Sweet wine
 - Taste
 - A. Huxley's "and Artists"
- DOWN**
- 14 Migratory formation on light
 - 48 Bunch of flowers
 - 30 Norman town
 - 31 Father of David
 - 33 Greek goddess of youth
 - 54 — Cruces, N.M.
 - 55 Sprint
 - 56 Jeff Davis' org.
 - 58 Tennessee footballer
 - 59 Ham's "forts"
 - 61 Large, shelved wardrobe
 - 63 Seize disputes
 - 64 Least precise
 - 65 11th V.P.
 - 66 38th V.P.
 - 1 Indian robbers
 - 2 One of
 - 3 Eichmann's captors
 - 4 Trials for
 - 5 Tend to the windward
 - 6 Acousticon
 - 8 Glossy fabric
 - 9 In the earliest stages
 - 7 Originate
 - 8 Eastern staple
 - 9 Ultimate
 - 10 Fancy hurs
 - 11 Adjust anew
 - 12 "Saucy" fruit
 - 13 Monkey-trial defendant
 - 15 Electrolytic terminals
 - 23 Exist
 - 25 Abrasive comedian
 - 26 French shield
 - 23 Facing
 - 24 Valencia
 - 38 Some beans
 - 32 Corrode or erode
 - 34 In medias
 - 36 Exact
 - 37 Mussulman
 - 38 Feral
 - 39 Substance for washing
 - 40 — Magnon
 - 42 Speedometer
 - 43 Canines
 - 44 Festival event
 - 45 Graduates
 - 46 Conquest
 - 48 Ladder for Luis
 - 51 Post-coup ruling group
 - 52 Succulent fruit
 - 53 Iranian monetary unit
 - 57 Theban deity
 - 58 Seizure
 - 62 Full of, suffix

JUMBLE THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

Unscramble these four Jumble words, one letter to each square, to form four ordinary words.

WRONG

TUBIL

FLUED

VERPOL

Answer here: A

Yesterday's Jumble: AWARD PRIZE GYRATE PONCHO
Answer: You can help keep those food bills down with this—A PAPERWEIGHT

DENNIS THE MENACE

"MOM TELLS ME TO GO UP AND CLEAN MY ROOM AND MR. WILSON TELLS ME TO GO HOME AND CLEAN MY CAGE."

WEATHER

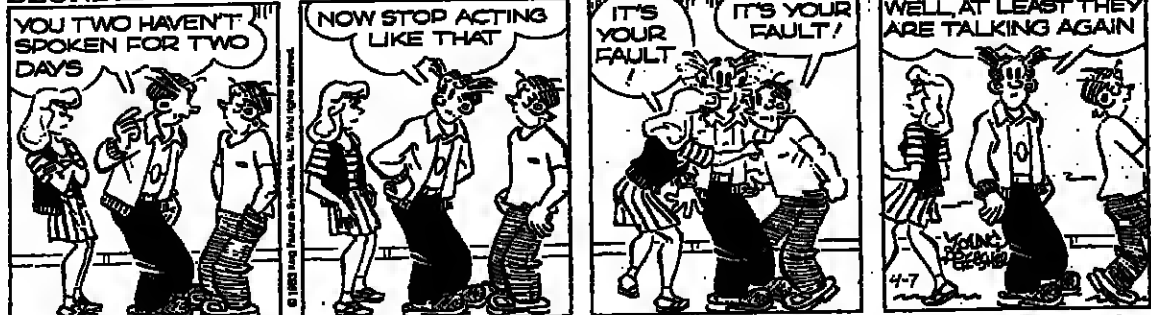
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PEANUTS



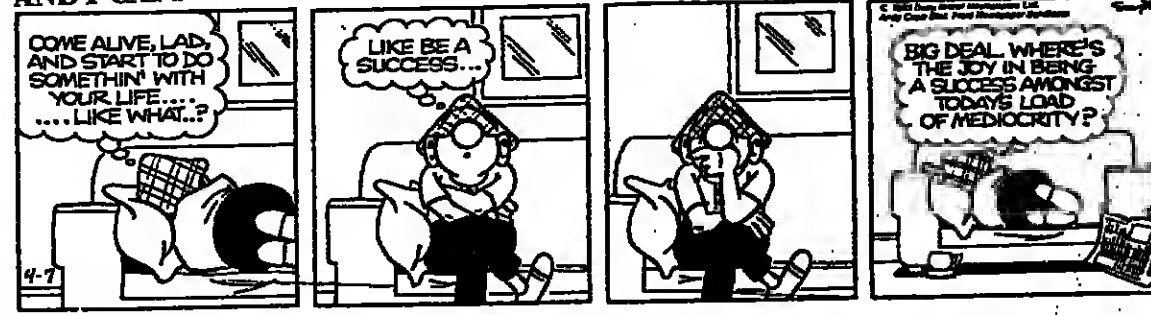
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GARFIELD



BOOKS

THE VOICE OF THE POOR

Essays in Economic and Political Persuasion
By John Kenneth Galbraith
88 pp. \$8.95.
Harvard University Press.
79 Garden St.
Cambridge, Mass. 02138.

Reviewed by Donald F. McHenry

SO strongly do Americans believe in their own policies, institutions, and way of life that they do not take kindly to criticism of the United States by other countries. That negative reaction was present when Olaf Palme criticized the United States' involvement in Vietnam or when Charles de Gaulle took exception to almost everything American. But indignation is especially sharp when criticism originates from countries which are newly independent, poor, and, in the view of many Americans, hardly citizens of virtue.

Now, along comes John Kenneth Galbraith with the novel suggestion that there is worthy advice which the poor countries might offer their more fortunate industrialized brethren, to the mutual benefit of all. At least that was Galbraith's stated objective in a series of lectures which he gave in India in the spring of 1982 and which, somewhat revised, are published as "The Voice of the Poor: Essays in Economic and Political Persuasion."

It is Galbraith's thesis that the ideology and ideology of socialism or of capitalism have made the mistake of trying to foist on newly independent nations economic and political structures — and even military weapons — inappropriate to the stage of such nations' political and economic development. Although there is much overlapping of stages, says Galbraith, "The economic design appropriate to the later stages of development cannot, without waste and damage, be transferred to the early stages. Nor as regards the new countries can the design and emphasis appropriate to a country in one stage of political, cultural, and economic sequence be applied in a later or earlier stage."

Galbraith would have advocates of both groups review their own historical development and discover that neither philosophy can be adopted automatically by poor countries: socialism does not work well in poor countries because it requires a large and a competent administrative structure; similarly, the marvels of capitalism come only after, not before, education, political stability, and cultural development.

the conflict or if users are incapable of handling it. He rightly condemns the arms race between East and West and the increased expenditure of scarce resources by poor countries on military weapons. Expecting criticism, he correctly calls visionary his own recommendation that poor countries should come together and reject modern weaponry. Here indeed Galbraith's vision is blurred. He sees the weapons flow as resulting in tensions and conflicts between recipient poor countries. In reality tensions between India and Pakistan, or Iraq and Iraq, are centuries old or internally generated, albeit exacerbated by the availability of sophisticated weapons. Indeed these conflicts sometimes result in the emphasis by new countries on the military establishments which Galbraith finds inimical to development.

Curiously out of place in these essays is what the poor should say to the rich in the book's final chapter. Galbraith, repeating his well-known criticism of Reaganomics, suggests fiscal policy, including wage and price restraints, as preferable to the emphasis on monetary policy as a way to reach price stability in the industrialized states. One doubts that this advice will be any more acceptable to Ronald Reagan coming through the mouths of the poor than directly from Galbraith.

Students of economic development will find in these essays a concise and enlightened view of the currently most widely held theories on economic development. Indeed, especially in the United States, developments in poor countries are inappropriately judged by our own achievements and worse, by a selective memory about how those achievements were obtained. However, many will question whether Galbraith labels as advice from the poor countries to the rich might not also be a subtle suggestion of advice which the poor might appropriately make to themselves. For in reality, especially in the early days of independence, the poor nations themselves mistakenly concluded that they could skip the evolutionary processes of development and adopt rather than adapt ideas and institutions. The landscape is littered with flashy buildings and industrial schemes which absorbed money and resources that would have been better expended on agriculture and education.

The liberal Galbraith will find little receptivity to his views in President Reagan's Washington where free enterprise is sacrosanct; the struggle between capitalism and communism endures everywhere; peace comes through strength if not military superiority; and the United States' reverses in Vietnam and Iraq resulted not from misplaced but too little effort.

Donald F. McHenry, University Research Professor of Diplomacy and International Affairs at Georgetown University, was ambassador to the United Nations from 1979 to 1981. He wrote this review for The Washington Post.

Madrid Plans Goya Show

MADRID — An exhibition of 52 Goya paintings owned by private collectors will open April 19 at the Prado. Many of the works have never been exhibited publicly and others have not been on display since a similar show at the Prado in 1928, organizers said. The exhibition, accompanied by lectures by Spanish and foreign Goya experts, will run for three months.

BRIDGE

By Alan Truscott

ON the diagrammed deal, South faced a problem that was easier on paper than it was at the table. She arrived in four hearts after both opponents had bid diamonds. The opening diamond lead was ruffed, and a careless player would have led a trump to the ace. As it happens, this would have succeeded, and the careless player would never have realized his error.

of them to justify his overall and East the other to justify his jump.

If East held the club ace, two tricks would have to be lost in that suit. So South led that position immediately by leading to the king in dummy. West ducked and the king won, after which everything was easy. The play of the heart ace, and a heart produced an overtrick.

But suppose that East had produced the club ace. Now there was a danger of losing two trump tricks, and the king was likely to be with West. South's plan in that circumstance was to lead the heart queen from her hand, holding the defense to one trick if West happened to have begun one

BRIDGE

Both sides were vulnerable. The bidding:

North	East	South	West
1♠	1♥	4♥	4♠
2♠	2♥	4♥	4♠
3♠	3♥	4♥	4♠
4♠	4♥	4♥	4♠

West led the diamond ace.

Amsterdam **Frankfurt** **Other Markets** **April 6** **Tokyo** **Canadian Stock Markets** **April 5**

Amsterdam

Class	Prev.	Close
ABN Holding	122.50	122.50
ABN 2	122.50	122.50
ABN 3	122.50	122.50
ABN 4	122.50	122.50
ABN 5	122.50	122.50
ABN 6	122.50	122.50
ABN 7	122.50	122.50
ABN 8	122.50	122.50
ABN 9	122.50	122.50
ABN 10	122.50	122.50
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ABN 94	122.50	122.50
ABN 95	122.50	122.50
ABN 96	122.50	122.50
ABN 97	122.50	122.50
ABN 98	122.50	122.50
ABN 99	122.50	122.50
ABN 100	122.50	122.50

Frankfurt

Class	Prev.	Close
ABN 101	122.5	

SPORTS

Rookie's Homer Helps Angels Beat Brewers, 3-2

Compiled by Our Staff from Dispatches
ANAHEIM, California — Rookie Daryl Scotters hit a first-inning home run and Bobby Grich singled in the go-ahead run in the fourth Tuesday night to carry the California Angels to a 3-2 victory over the Milwaukee Brewers before an opening night crowd of 34,177.

Scotters, filling in at first base for the ill-tidened Rod Carew, hit Don Sutton's first-pitch fastball over the right-field wall with two outs in the opening inning. Sutton, seeking his 25th career victory, went the distance in losing on a six-hitter.

The Angels' Bruce Kison scattered five hits over 6 1/2 innings before Luis Sanchez batted him out with two on and two outs in the seventh. It was Kison who started and Sanchez who lost the deciding game of the 1982 American League championship series against the Brewers last fall.

The Brewers tied the score in the third when Cecil Cooper followed singles by Jim Gantner and Paul Molitor with a two-out double. Reggie Jackson began the winning rally in the fourth by legging out an infield hit; Doug DeCinces singled and Grich followed with a single to center.

The Angels added a run in the fifth on a walk, a sacrifice bunt, a sacrifice fly and a passed ball. Milwaukee rallied for a run in the ninth before Andy Hassler came on for the save.

Mariners 5, Yankees 4
In Seattle, Richie Zisk hit a two-run homer in a four-run third inning and Steve Henderson went 3-for-3 to lead the Mariners to a 5-4 victory over New York. Al Cowens' sacrifice fly in the seventh scored Henderson with the winning run. Bryan Clark won in relief and Bill Canfield picked up the save.

Blue Jays 7, Red Sox 1
In Boston, Dave Stieb and Roy

Lee Jackson checked the Red Sox on three hits and Rance Mulliniks and Willie Upshaw hit home runs to pace Toronto's 7-1 triumph. Stieb gave up all three hits through six innings; he struck out seven and walked four. The Blue Jays' four-run second off Dennis Eckersley was capped by Mulliniks' two-run homer.

Tigers 11, Twins 3
In Minneapolis, Larry Herndon hit a three-run home run and Mike Ivie drove in three runs with two doubles to lead Detroit to an 11-3 rout of Minnesota. In the Tigers' six-run first, Herndon homered off Brad Haves after singles by Lou Whitaker and Alan Trammell; Ivie's two-run double made it 5-0 and Whitaker singled home Ivie. Jack Morris held the Twins to six hits through seven innings before giving way to Dave Rozema.

Rangers 4, White Sox 1
In Arlington, Texas, Jon Mat-

lack pitched a five-hitter over 7 1/2 innings — in one stretch retiring 12 straight batters — as the Rangers downed Chicago, 4-1. Loser Floyd Bannister, making his first appearance for the White Sox, gave up seven hits.

Mets 2, Phillies 0
In the National League, New York, Tom Seaver blanketed Philadelphia for six innings and the Mets went on to a 2-0 victory against Cy Young Award winner Steve Carlton. It was New York's ninth straight opening-day triumph, equalling the major league record set by the 1937-45 St. Louis Browns. Seaver's 14th opening-day start also tied Walter Johnson's all-time mark. Held to three hits over the first six innings, the Mets produced four consecutive singles in the seventh to break a scoreless tie. Mike Howard drove in the winning run. Seaver left when his left thigh muscle tightened, and rookie Doug Sisk shut down the Phils on two

hits over the last three innings to pick up the victory.

Pirates 7, Cardinals 1
In St. Louis, Lee Lacy, Dale Berra and Lee Mazzilli hit bases-empty home runs and Jason Thompson added a home run with two men aboard to back the four-hit pitching of John Candelaria and give Pittsburgh a 7-1 victory over the Cardinals. Candelaria allowed a two-out RBI double by George Hendrick in the first and singles to Ozzie Smith in the sixth, David Green in the seventh and Lonnie Smith in the eighth.

Padres 16, Giants 13
In San Francisco, Garry Templeton drove in four runs with a home run, double and single and Terry Kennedy and Tim Lincecum batted in three runs apiece in a 17-hit attack that carried San Diego to a 16-13 verdict over the Giants.

Dodgers 16, Astros 7
In Houston, Ken Landreux and Pedro Guerrero drove in 11 runs between them to pace a 16-7 rout of the Astros by Los Angeles. Landreux's bases-loaded double drove in three runs and broke a 6-6 sixth-inning tie; later in the inning Guerrero hit a three-run home run off loser Frank LaCorte.

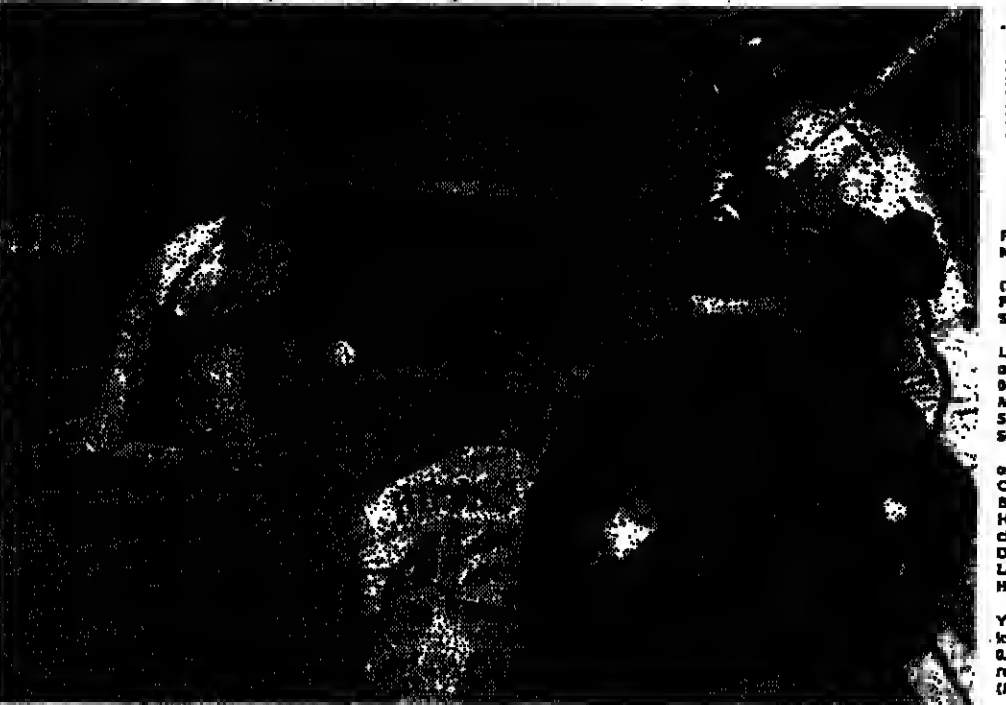


Peter Stastny of the Quebec Nordiques made a first-period nuisance of himself Tuesday night at Boston Garden. Stastny scored three goals — at 1:26, 7:18 and 16:00 — and found time to lay a crunching check (above) on Bruin defenseman Brad Park. But Boston rallied to tie the first-round National Hockey League playoff game on Mike O'Connell's goal at 8:16 of the final period and won, 4-3, on Barry Pederson's score 1:46 into overtime.

Major League Standings

National League			
Team	W	L	Pct.
New York	10	0	1.000
Los Angeles	9	0	.900
San Francisco	8	0	.800
Philadelphia	7	0	.700
St. Louis	6	0	.600
San Diego	5	0	.500
Atlanta	4	0	.400
Montreal	3	0	.300
Pittsburgh	2	0	.200
Chicago	1	0	.100

American League			
Team	W	L	Pct.
Cleveland	10	0	1.000
Detroit	9	0	.900
Toronto	8	0	.800
Baltimore	7	0	.700
Seattle	6	0	.600
Minnesota	5	0	.500
Los Angeles	4	0	.400
San Francisco	3	0	.300
Philadelphia	2	0	.200
Chicago	1	0	.100



Pitcher Tom Seaver, delivering to his Philadelphia counterpart, Steve Carlton, in Tuesday's opener. The Mets got to Carlton for the game's only two runs in the seventh inning.

Tuesday's Line Scores

Team	W	L	Pct.
Philadelphia	10	0	1.000
New York	9	0	.900
Los Angeles	8	0	.800
San Francisco	7	0	.700
Philadelphia	6	0	.600
St. Louis	5	0	.500
San Diego	4	0	.400
Atlanta	3	0	.300
Montreal	2	0	.200
Pittsburgh	1	0	.100
Chicago	0	0	.000

Team	W	L	Pct.
Cleveland	10	0	1.000
Detroit	9	0	.900
Toronto	8	0	.800
Baltimore	7	0	.700
Seattle	6	0	.600
Minnesota	5	0	.500
Los Angeles	4	0	.400
San Francisco	3	0	.300
Philadelphia	2	0	.200
Chicago	1	0	.100

Use of TV Replay: A Milestone in Officiating?

By Neil Amund
New York Times Service
NEW YORK — Proposals to give television replays a role in the officiating of major sports events remain controversial.

But last Saturday, after an unprecedented preliminary match, a replay produced a historic boxing reversal that could carry long-range implications.

The incident that led to the reversal occurred during the second round of a six-round welterweight bout in Lancaster, Pennsylvania, between Sidney Gantz, an unbeaten local fighter, and Jose Fuentes of Jersey City, New Jersey. NBC TV was taping the match as a possible filler for its live telecast of the U.S. Boxing Association's junior welterweight title fight between Johnny Burnip, the champion, and Michael Bradley.

Early in the second round, Fuentes threw a left hand that landed on Gantz's right eye and caused him to turn away and rub his eyes, leaving him almost defenseless.

Tony Wolfe, the referee, stepped in and consulted with the ringside physician, who examined Gantz and confirmed that the fight should be stopped.

Fuentes was awarded a technical knockout.

"At that point, it was just another underdog fight," recalled Peter Rolfe, the NBC producer, who was giving his crew one last hunch break before the main event.

But George Benton, Gantz's trainer, complained to the referee that the fighter had been accidentally thumped in the eye, not hit with a legitimate punch.

Referee Wolfe said he had not

seen the thumping, so Benton took his case to Francis Walker, executive secretary of the Pennsylvania State Athletic Commission and the commission's representative at the fight.

"I told George if the referee hadn't stopped the thumping, it was a TKO," Walker said by telephone Monday from Philadelphia. "But I said to Benton, if there was a way to look at it at some point, maybe we could take it up."

Meanwhile, in the NBC production trailer, one of the videotape editors, John Marelli, had been reviewing the last few punches of the Fuentes-Gantz bout, especially footage from an angle captured by Steve Gonzalez with a hand-held camera at ringside.

"You can see the thumb in his eye right there," Rolfe said, watching the replay with Dick Cline, the director, and Kevin Monaghan, the manager of sports information.

Sensing something unusual, Monaghan returned to the arena and informed Dr. Ferdie Pacheco, NBC's boxing consultant and referee.

"We've got the thumping on tape," Monaghan told Pacheco, who was seated with Merv Albert, the commentator.

Long an advocate of ring safety measures, including the use of thumbless gloves, Pacheco urged Monaghan to tell Gantz's trainer, Monaghan found Benton with Lou Duva, the promoter.

"Did you tape that fight?" Duva asked. When Monaghan nodded, Duva told Benton to ask the commission to check the tape.

State boxing commissions have been known to move slowly in dealing with controversies. But Walker agreed to view the replay.

"If everything that was alleged was true," Walker said Monday, "I thought the best time to make any decision was when everybody was there."

With only a few minutes left before his time, producer Rolfe ordered the Fuentes-Gantz tape to be shown. "He stopped it frame by frame," Walker said, "and you could see the thumb going in the eye."

After consulting briefly outside the NBC trailer with George Sackor, a deputy commissioner, and Hank Caco, the alternate referee, Walker overruled the TKO verdict and called the bout a technical draw.

When asked Monday whether he understood the importance of his decision, Walker said: "I hadn't given it too much significance. My only consideration was that fair judgment be rendered."

But Duva described the reversal as a "first that's going to revolutionize the boxing business."

And Bert Sugar, publisher of Ring magazine, said that to his knowledge, no decision in a fight had ever before been reversed because of a TV replay.

"Commissions have changed their minds on decisions," Sugar said, "but never as a result of television."

After discussions with Albert and Pacheco, Rolfe convinced NBC executives in New York that the story had to be broadcast at some point during the day. Bumip's sixth-round knockout of Bradley allowed Rolfe the time to show the tape during the boxing program.

"I think it was a minor miracle," Pacheco said Monday from Madrid, where he was en route to Italy for another fight show this weekend.

"It's significant because it came in such an opportune event — at an important time."

"If it's a major title fight, too much is riding on it for that happen or for anyone to do anything."

"But all the factors were ready. All the factors fell into place."

Rolfe did not feel that Saturday's events would prompt a rush to embrace replays in all sports.

"The configuration of a ring to a football field is totally different," he said.

"And I don't know if it happened in another state whether a commissioner would say, 'Let's go look at it.'"

NBA Standings

Team	W	L	Pct.
Philadelphia	10	0	1.000
New York	9	0	.900
Los Angeles	8	0	.800
San Francisco	7	0	.700
Philadelphia	6	0	.600
St. Louis	5	0	.500
San Diego	4	0	.400
Atlanta	3	0	.300
Montreal	2	0	.200
Pittsburgh	1	0	.100
Chicago	0	0	.000

Team	W	L	Pct.
Cleveland	10	0	1.000
Detroit	9	0	.900
Toronto	8	0	.800
Baltimore	7	0	.700
Seattle	6	0	.600
Minnesota	5	0	.500
Los Angeles	4	0	.400
San Francisco	3	0	.300
Philadelphia	2	0	.200
Chicago	1	0	.100

NEW YORK

Herald Tribune

European Edition

PARIS, MONDAY, NOVEMBER 5, 1986

Soviet Army Crushing Hungarian Revolt; British, French Troops Embark at Cyprus

Leaflets Warn Cairo to Give In

U.K., Paris To Reject UN Pleas



Nagy Cabinet Captured; Kadar Becomes Premier

Dulles Has Operation On Cancerous Tissue

"THE FRONT PAGE 1887-1980"

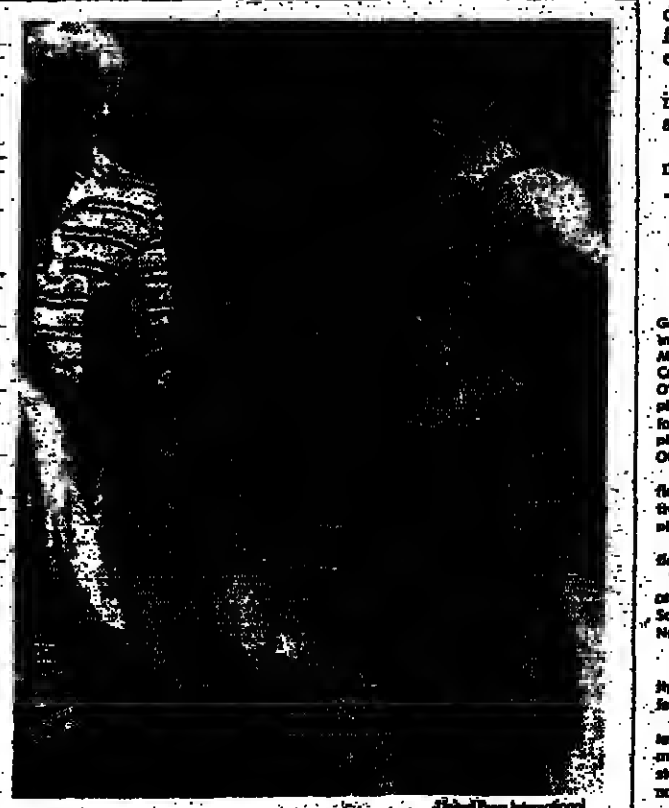
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POT LOOK — At one point during a Masters golf tournament practice round Tuesday in Augusta, Georgia, defending champion Craig Stadler seemed about to celebrate his victory and his considerable surroundings. Warty waiting developments was Stadler's playing partner, Australian Greg Norman.

Transition

BASEBALL
CALIFORNIA — Outfielder Steve Lirio, infielder and Rick Stiller and Mickey Vernon, infielder, to the Pacific Coast League. Sent Jerry Norton and Mike O'Brien, catchers, and Byron McCash, pitcher, to their minor league headquarters for future assignment. Placed Bill Trower, pitcher, on the 15-day disabled list and the 30-day disabled list. Placed Rick Stiller, pitcher, on the 15-day disabled list. Placed Bill Trower, pitcher, on the 30-day disabled list.

FOOTBALL
NEW YORK — Placed Les Pileggi, offensive tackle, on the 15-day disabled list and the 30-day disabled list. Placed Les Pileggi, offensive tackle, on the 15-day disabled list and the 30-day disabled list.

HOCKEY
ST. LOUIS — Placed Paul Skidmore, defenseman, on the 15-day disabled list and the 30-day disabled list. Placed Paul Skidmore, defenseman, on the 15-day disabled list and the 30-day disabled list.

COLLEGE
ARIZONA — Placed Ken Barmeterer and Scott Thompson, assistant football coaches, on the 15-day disabled list and the 30-day disabled list. Placed Ken Barmeterer and Scott Thompson, assistant football coaches, on the 15-day disabled list and the 30-day disabled list.

U.S. Football
NEW YORK — Placed Les Pileggi, offensive tackle, on the 15-day disabled list and the 30-day disabled list. Placed Les Pileggi, offensive tackle, on the 15-day disabled list and the 30-day disabled list.

U.S. Football
NEW YORK — Placed Les Pileggi, offensive tackle, on the 15-day disabled list and the 30-day disabled list. Placed Les Pileggi, offensive tackle, on the 15-day disabled list and the 30-day disabled list.

U.S. Football

Oklahoma and Tech Win After Close Calls

OKLAHOMA CITY — Oklahoma State and Texas Tech won their respective games in a close contest. Oklahoma State defeated Texas Tech 21-14. Texas Tech defeated Oklahoma State 21-14.

Rebel Radios Heard In Calls for UN Aid

Rebel radios were heard in calls for UN aid. The rebels were calling for UN aid to help them fight against the government forces.

U.S. Football

Oklahoma and Tech Win After Close Calls

OKLAHOMA CITY — Oklahoma State and Texas Tech won their respective games in a close contest. Oklahoma State defeated Texas Tech 21-14. Texas Tech defeated Oklahoma State 21-14.

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